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FBIS-SOV-92-062 CONTENTS *31 March 1992*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

ARMS CONTROL & DISARMAMENT

Further on Sales of Nuclear Material Abroad *[TRUD 31 Mar]* 1
Scientist on 'Disastrous' Financial Position *[KOMSOMOLSKAYA PRAVDA 31 Mar]* 1
PRC Nuclear Test Site Discussed in Alma-Ata *[INTERFAX]* 2
Leningrad Station Waits for Inspection *[TASS]* 2
Ulyanovsk Institute Problems Imperil Safety *[ROSSIYSKAYA GAZETA 26 Mar]* 3
Plants in 'Degradation'; Crimea Short of Energy *[Kiev International]* 3
New Ballistic Missile Could Be Developed *[POSTFACTUM]* 3

INTERNATIONAL AFFAIRS

Navy 'Sources' on Reported Sale of Submarine *[POSTFACTUM]* 4
Kozyrev on CSCE Role in Karabakh Conflict *[Moscow Radio]* 4
West's Rescheduling of Soviet Debt Reported *[IZVESTIYA 27 Mar]* 4

INTERREGIONAL AFFAIRS

Military

Shaposhnikov Recommended for Defense Minister *[INTERFAX]* 6
Armed Forces Command Discusses Russian Army *[TASS]* 6
    Session Proceedings Detailed *[KRASNAYA ZVEZDA 28 Mar]* 6
Further on Deynekin Visit to Uzin Air Base *[TRUD 28 Mar]* 6
Officers' Council Satisfied With Kiev Summit *[KRASNAYA ZVEZDA 27 Mar]* 8
Navy Deputy Chief of Staff 'Pensioned Off' *[POSTFACTUM]* 9
Agreement With Georgia on Cooperation Expected *[POSTFACTUM]*

Media

Ukrainian Journalists Break Away From CIS Unions *[TASS]* 9
TASS Carries Press Review for 31 Mar 9
TASS Carries 30 Mar Press Review 10
TASS Carries Press Review for 28 Mar 10

RUSSIA

International Affairs

News Conference Held on Yeltsin-Cossiga Talks *[TASS]* 12
    More on Talks *[Rome ANSA]* 12
    Yeltsin-Cossiga Talks End *[Moscow International]* 13
    Yeltsin Comments on Meeting *[TASS]* 13
    Yeltsin Hosts Banquet *[Moscow International]* 13
    Kozyrev Meets Italian Counterpart *[TASS]* 13
    Italy's Cossiga Ends Visit *[TASS]* 13
Kozyrev, Iran's Va'ezi Discuss Karabakh *[TASS]* 14
    Further on Kozyrev Meeting *[Tehran Radio]* 14
    Announces Cease-Fire Agreement *[TASS]* 14
    Va'ezi Cited on Mediation *[IZVESTIYA 30 Mar]* 15
Foreign Ministry on Kozyrev Asia Trip Results *[ROSSIYSKAYA GAZETA 27 Mar]* 15
Kozyrev Appeals to CIS Members on POW's *[IZVESTIYA 28 Mar]* 16

Kozyrev Interviewed by Portuguese Weekly *[TASS]* 16
Statement Issued on Libyan Extradition Refusal *[Moscow International]* 17
Foreign Ministry Issues Statement on Moldova *[TASS]* 17
Official Outlines Tasks at CSCE Conference *[TASS]* 17
Leonid Smolyakov Named Ambassador to Ukraine *[ROSSIYSKAYA GAZETA 26 Mar]* 17
Cuban Raw Sugar Received in Stavropol *[POSTFACTUM]* 18

Federation Affairs

Shakhray Resigns Over 'Delimitation' Question *[Radio Rossii]* 18
  To Be 'More Useful' at Congress *[TASS]* 18
Gaydar Discusses Fuel Prices, Public Fear *[Russian TV]* 18
Provisions for Army of 1.3 Million Examined *[TASS]* 21
  Legal Foundation Viewed *[POSTFACTUM]* 21
Officers Accused of Stealing Military Property *[Russian TV]* 22
Defense Sector Seeks Help To Avert Decline *[KRASNAYA ZVEZDA 27 Mar]* 22
Air Force Authorized To Seek Nonbudget Funding *[ROSSIYSKAYA GAZETA 26 Mar]* 23
'Unclear' Aspects of Constitution Assailed *[NEZAVISIMAYA GAZETA 28 Mar]* 23
Latest Draft Constitution Merits Assessed *[ROSSIYSKAYA GAZETA 27 Mar]* 28
Sobchak, Popov Discuss Constitution, Referendum *[INTERFAX]* 30
  Constituent Assembly Proposed *[TASS]* 30
Democratic Russia Wants Civilians in Defense *[INTERFAX]* 31
Communist Party Plans Political Actions *[TASS]* 31
Democratic Groups Question Yeltsin Draft *[INTERFAX]* 31
PRAVDA Prospects for Renewal Eyed *[TASS]* 31

Supreme Soviet

Khasbulatov Reaffirms Opposition to Price Hikes *[INTERFAX]* 32
Abdulatipov Comments on Federative Treaty *[Moscow Radio]* 32
Gaydar Delivers Budget Message to Parliament *[Russian TV]* 33
Gaydar on Realistic Budget Forecasts *[Russian TV]* 38
Pochinok on 'Deliberately Distorted' Budget *[Russian TV]* 40
Foreign Trade Bank Given Rights To Sell Gold *[INTERFAX]* 43

Regional Affairs

Chechen Opposition Seizes TV, Radio Station *[TASS]* 43
Deputies Revoke Sobchak Decisions on Committees *[Moscow Radio]* 43
City Council Calls for Sobchak Resignation *[INTERFAX]* 44
Tatarstan Movement Supports Federation Treaty *[INTERFAX]* 44
Milli-Majlis Proclaimed Representative Body *[INTERFAX]* 44
'No Victors' in Tatarstan Referendum Seen *[ROSSIYSKAYA GAZETA 27 Mar]* 44
Kemerovo Miners Launch Strike Over Wages *[Russian TV]* 46
Media Ignore 'Thousands-Strong' Moscow Protest *[SOVETSKAYA ROSSIYA 31 Mar]* 46

UKRAINE

International Affairs

Republic Reportedly To Leave CIS for EC *[AFP]* 47
Ukraine Opposes Joint Intelligence Services *[INTERFAX]* 47
Trade, Economic Deal Signed With Chechnya *[ROSSIYSKAYA GAZETA 26 Mar]* 47
CSFR Has No Territorial Claims on Ukraine *[TASS]* 47
Representative at United Nations Views Tasks *[URYADOVYY KURYER Mar]* 47

National Affairs

Deputy Prime Minister Views Economic Reform *[Kiev Radio]* 48
Rukh, Crimean Tatars Meet Government Official *[Kiev International]* 49
Division of Powers Agreed With Crimea *[TASS]* 49

Crimean Union of Officers Established *[Kiev International]* 49
Members of State Duma Economic Board Listed *[URYADOVYY KURYER Mar]* 50
Rukh Fears 'Authoritarian Tendencies' *[Radio Rossii]* 50
Government Relaxes Export Restrictions *[INTERFAX]* 51
Chairman Comments on Coupon Inflation *[POSTFACTUM]* 51

WESTERN REGION

Belarus

Shushkevich Denies Territorial Claims *[Vilnius Radio]* 52
Republic Reportedly About To Introduce Coupons *[Kiev International]* 52
Retaliatory Cut in Meat Supplies to Russia *[ROSSIYSKAYA GAZETA 26 Mar]* 52
Striking Miners Block Trains in Soligorsk *[INTERFAX]* 52
Command Not Involved in Aug Coup Attempt *[Moscow Radio]* 52
Chernobyl Radiation Levels 'More Dangerous' *[TASS]* 52

Moldova

Dniester Parliament Issues Appeal to Yeltsin *[TASS]* 53
Security Council Views Emergency Measures *[Bucharest Radio]* 53
'Leaders May Renounce' Free Economic Zone Plan *[INTERFAX]* 53
Smirnov Calls for Troops Withdrawal, Talks *[Moscow Radio]* 54
Dniester President Warned of 'Last Chance' *[INTERFAX]* 54
'Intense War Preparations' in Dniester Region *[Bucharest ROMPRES]* 54
Troops Concentration Around Dubossary Continues *[Radio Rossii]* 54
Snegur Protests Over Airspace Violations *[Moscow TV]* 54
Snegur Briefs Parliament on Dniester Situation *[Bucharest Radio]* 55
    More on Snegur Remarks *[TASS]* 55
Army Commander Cited on State of Emergency *[KRASNAYA ZVEZDA 31 Mar]* 55
Mobilization of Males Reportedly Begins *[Moscow TV]* 56
Government Introduces Press Censorship *[INTERFAX]* 56

CENTRAL ASIA

Kazakhstan

Syrian Minister Visits; Ties Established *[Alma-Ata Radio]* 57
Vice President Receives U.S. Business Delegation *[Alma-Ata Radio]* 57
Turkish Businessmen in Cooperation Talks *[Alma-Ata Radio]* 57
Socialist Leader Cited on Role of Party *[TASS]* 57
Zinc Plant Increases Output of Rare Metals *[Alma-Ata Radio]* 57
Use of Caspian Sea Water for Agriculture Viewed *[Alma-Ata Radio]* 57

Kyrgyzstan

German Envoy Visits, Meets With Akayev *[Radio Rossii]* 58
Government Drafts Law on Citizenship *[INTERFAX]* 58
Adviser Warns Price Hikes Could 'Foil' Reforms *[INTERFAX]* 58

Tajikistan

Official Syrian, Tajik Talks Begin 28 Mar *[Damascus Radio]* 58
    Nabiyev Receives Delegation *[Damascus Radio]* 58
    Established With Syria *[Damascus Radio]* 59
Nabiyev Meets With Pakistani Delegation *[Dushanbe Radio]* 59
Government Not Intent on Forming Own Army *[INTERFAX]* 59

Turkmenistan

Niyazov Heads Delegation To Saudi Arabia *[TASS]* 59
Yeltsin To Visit Ashkhabad, Discuss Treaties *[Moscow Radio]* 59

Uzbekistan

Experts Attempt To Contain 'Raging' Oil Gusher *[TRUD 31 Mar]* 59
Border Troops To Remain Part of CIS Forces *[INTERFAX]* 60
Karimov Wants To Decrease Cotton Production *[INTERFAX]* 60
Agro-Industrial Complex Workers Stage Congress *[INTERFAX]* 60

CAUCASUS

Armenia

Talks Held With Azerbaijan on Cease-Fire, Gas *[TASS]* 61
Azerbaijan Charged With Breaking Cease-Fire *[TASS]* 61
Nagorno-Karabakh Reports Stepanakert Shelling *[TASS]* 61
Security Council Meets, Discusses Situation *[Yerevan Radio]* 61
Further Reportage on Syrian Official's Visit 62
    Agreements Signed *[Yerevan Radio]* 62
    Comments on Armenia's Role *[Radio Rossii]* 62
Diplomatic Relations Established With Cuba *[ARMENPRES]* 62

Azerbaijan

Officer Informs Shaposhnikov of Right to Arms *[TASS]* 62
Iran Issues Cease-Fire Extension Declaration *[Tehran Radio]* 63
Iranian Deputy Foreign Minister Begins Visit 63
    Previews Visit *[Russian TV]* 63
    Arrival Reported *[Baku Radio]* 63
    Mamedov Receives Va'ezi *[TASS]* 63
    Further on Meeting *[Baku Radio]* 64
    Iran Ready To Send Observers *[Tehran Radio]* 64
Defense Ministry Denies Reports on Offensive *[Russian TV]* 64
Armenians Seize Settlement; Casualties Noted *[TASS]* 64
Armenian Forces Down Mi-24A Helicopter *[Moscow Radio]* 64
Armed Units Seize Rockets From Division *[POSTFACTUM]* 64
Mamedov Appeals to Social Groups, Parties *[Baku Radio]* 65
Pro-Aliyev Rally Held in Nakhichevan *[Baku Radio]* 65
Popular Front Assembly Meeting Held 27 Mar *[Baku Radio]* 65
Turkish Cultural Adviser Visits Nakhichevan *[Baku Radio]* 65
Turkish Ambassador Discusses Karabakh Dispute *[Baku Radio]* 65

Georgia

Gamsakhurdia Supporters Retreat Toward Zugdidi *[TASS]* 65
Military Commanders Comment on Unrest *[Moscow TV]* 66
Abkhazia To Refuse Gamsakhurdia Supporters *[TASS]* 66
'Lull' in Fighting Over Past 24 Hours Noted *[TASS]* 66
South Ossetia Reacts Postively to Talks Plan *[Moscow Radio]* 66
Rail, Road Blockades Damage Reported *[Radio Rossii]* 67
Gamsakhurdia Forces Have 'No Chance' in Combat *[IZVESTIYA 31 Mar]* 67
Gamsakhurdia Asks Ukraine To Examine Situation *[Moscow TV]* 67
Commission Created on Military Hardware Transfer *[Tbilisi Radio]* 67
Foreign Policy Association President Resigns *[Radio Rossii]* 67

BALTIC STATES

Estonia

Prime Minister Insists on Withdrawal in 1992 *[TASS]* 68
Defense Force To Buy Weapons From Russia *[Tallinn Radio]* 68

Military Unit Stationed in Viliandi Departs *[BALTFAX]* 68
Passport Office Ready for Citizenship Requests *[BALTFAX]* 68
Bank Official Cited on Cash Problems *[Tallinn Radio]* 69
Republic 'on the Brink' of Bankruptcy *[ROSSIYSKAYA GAZETA 30 Mar]* 69

Latvia

Foreign Minister Cited on Meeting With CSCE *[BALTFAX]* 69
NATO Cannot Monitor Troops Withdrawal *[BALTFAX]* 69
Mutual Goods Concessions Agreed With Russia *[POSTFACTUM]* 69
Government Considers Economic Emergency *[Riga International]* 70
Daily Newspaper ATMODA To Cease Publication *[Riga International]* 70

Lithuania

Delegation on Russia's Failure To Withdraw *[Vilnius Radio]* 70
Official Demands Total Withdrawal by Autumn *[TASS]* 71
Polish, Lithuanian Parliament Commissions Meet *[Warsaw TV]* 72
    Poles Seek Protection of Rights *[Warsaw PAP]* 72
Great Britain Agrees To Return Gold *[BALTFAX]* 72
Minister Implicated in Attack on Officers Club *[KRASNAYA ZVEZDA 31 Mar]* 73
Deputy Minister of Power Engineering Fired *[Vilnius Radio]* 73

Further on Sales of Nuclear Material Abroad

PM3103085492 Moscow TRUD in Russian 31 Mar 92 p 1

[Yu. Dmitriyev report on 30 Mar briefing at Russian Ministry of Security: "Uranium 'Forgery'"]

[Text] Frightening talk of the theft and resale abroad of uranium, plutonium, and other bomb components has suddenly flared up with renewed force both here at home and especially abroad. These questions, along with the nuclear situation in Russia in general, were the subject of yesterday's briefing at the Ministry of Security.

Those present included prominent nuclear scientists, leaders of that formidable sector that used to be known as "medium machine building," and generals of the special services that protect our quiet lives. There are certainly plenty of rumors. A pseudodocumentary film is being shown all over Paris, depicting scenes of the buying and selling of treacherous plutonium. A certain prosecutor from Italy declares loudly that he is in charge of a much-publicized investigation into the unlawful activity of as many as 30 Russian military specialists who have offered nuclear ammunition to the West. Mikhail Bazhanov, chairman of the State Committee for Conversion, who has recently returned from France, spoke at the briefing, and stated that in his opinion this is a pure forgery, the film is simply incomprehensible. Moreover the company refused to allow the Russian authorities to see it in order to carry out even an elementary investigation.

Mikhail Dedyukhin, a colonel in the security service, said: "We do not know of a single instance of the transfer abroad of a single gram of nuclear components, let alone several of our missiles, as has been reported in the press. We recently investigated a businessman from St. Petersburg whom the German magazine DER SPIEGEL had also declared to be a 'dealer' in lethal goods. There is no confirmation of this, and the businessman himself complained in writing about the press provocation."

Many questions were also put to Doctor of Sciences Stanislav Kaznovskiy, an IAEA [International Atomic Energy Agency] expert, who firmly rejected attacks on nuclear power. It exists all over the world, and in the conditions of the mounting energy crisis it would be madness to abandon nuclear power stations. What we should do instead is to think about improving the reactors and enhancing their reliability.

The stories of some ultraradioactive substance called "red mercury," costing fabulous sums, also proved to be anecdotal. This also had to be looked into by the Security Ministry's service headed by General Gennadiy Kuznetsov. Scientists provided assistance here. Academician Yuriy Buslayev, a prominent scientist in the sphere of inorganic materials, told journalists: We carefully examined a vessel given to us by the Security Ministry containing the mysterious mixture called "red mercury." The only red color came from...the retort. The rest was regular mercury, the kind you get in medical thermometers. Someone had the idea of making a profit out of this substance. This too is a "forgery."

Scientist on 'Disastrous' Financial Position

PM3103094192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Mar 92 p 2

[Interview with Valeriy Moskalenko, first deputy chairman of the Union of Nuclear Weapons Development Scientists, by T. Galinin; place and date not given: "Union of Nuclear Weapons Development Scientists Warns: Bomb Safe In Our Hands Alone"—first two paragraphs are introduction]

[Text] A Union of Nuclear Weapons Development Scientists has been set up. It includes specialists from two crucial nuclear weapons centers—Arzamas-16 (Experimental Physics Research Institute) and Chelyabinsk-70 (Technical Physics Research Institute). The union's aim is to defend development scientists' professional interests and promote nuclear weapons nonproliferation.

"Is there some threat to your professionalism"—a question for Valeriy Moskalenko, first deputy chairman.

[Moskalenko] A doctor of sciences' monthly wage is roughly 1,500 rubles. What is he to live on? His enthusiasm and awareness of his own special responsibility? Regrettably, you cannot feed children on that....

A disdainful attitude toward nuclear weapons development scientists may result in many of them simply leaving us and nuclear weapons being deprived of the skilled supervision exercised by their creators.

There is also another cause for concern. People who have nothing to do with our profession, with no authority and no moral right to represent our interests, often speak on behalf of weapons development scientists today. In our view, we should be involved in all decisionmaking affecting the interests of nuclear weapons scientists.

[Galinin] What guarantee is there that they won't manage without you?

[Moskalenko] There are just two nuclear weapons centers in the country. Competent information will in one way or another be prepared with our involvement. We intend to defend and clarify the technical aspects of the problem.

[Galinin] From the technical viewpoint what comment can you make on the recent statements by the Ukrainian leadership?

[Moskalenko] Nuclear weapons cannot be the subject of political games, haggling, or anyone's ambition. Political control [kontrol] is the competence of politicians. But it must be realized here that only the people who have developed and maintained these weapons over the decades can exercise the corresponding control [avtorskiy kontrol] (or, more precisely, supervision [nadzor]) of the tens of thousands of nuclear weapons in various phases of their "life cycle."

[Galinin] Couldn't you consider some questions of control in conjunction with your colleagues from other republics?

[Moskalenko] We don't have any colleagues in the full sense of the word anywhere. All professionals—nuclear weapons development scientists—are at the Experimental Physics Research Institute and the Technical Physics Research Institute. Technical contacts on questions of nuclear arms with anyone other than the personnel of these two centers effectively contravene the principles of the nonproliferation of nuclear technologies....

Even our good friends—physicists from, for instance, Ukrainian physics centers—have an extremely dim idea of real weapons. Especially since they are not informed about their engineering aspects...

[Galinin] There is talk of either German or U.S. grants or subsidies....

[Moskalenko] At present this is just talk... No one abroad will subsidize our defense developments. Certainly we have no intention of going begging either. I would venture to say that we are rated as professionals whom our country needs.

[Galinin] Do you intend to carry out orders from private individuals?

[Moskalenko] Our financial position is disastrous, we are seeking additional sources of funding. We are prepared for joint work with enterprises and entrepreneurs, including abroad.

[Galinin] Agreement may also be reached on some nuclear development...

[Moskalenko] We simply won't undertake that kind of work—we have after all joined together to oppose an information and brain "drain."

PRC Nuclear Test Site Discussed in Alma-Ata

OW3003215792 Moscow INTERFAX in English 1909 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] In Alma-Ata, an international conference held over the weekend discussed the problem of the Chinese nuclear test site Lop Nur, situated close to Kazakhstan's borders. It was attended by delegates from foreign anti-nuclear movements, religious activists from the international committee called "Vostochny Turkestan" (Eastern Turkestan) and leading scientists from Kazakhstan and other countries.

Official invitations were sent to Kazakhstan's officials. However, none of them was present. The Ministry of External Economic Ties said that the conference could "cause harm to Kazakh-Chinese relations". Alma-Ata believes that "the discussion of the Chinese nuclear test site is tantamount to interference in the internal affairs of a neighboring state".

The conference opened after a delay only when the President of the "Nevada-Semipalatinsk" anti-nuclear movement Olzhas Suleymenov warned that "there will be an outdoor rally in Alma-Ata if the conference is banned."

Leningrad Station Waits for Inspection

LD2803131792 Moscow ITAR-TASS in English 1213 GMT 28 Mar 92

[By ITAR-TASS correspondent Nikolay Krupenik]

[Text] Sosnovyy Bor, Leningrad Region, March 28 TASS—"It will be possible to answer unambiguously all the questions about the nature and causes of the incident at the Leningrad nuclear power station only after the power unit is opened for scrutiny," Professor Yuriy Petrov, chairman of the city council subcommission on radiological safety, told a news conference in St. Petersburg.

"So far, one thing is clear to experts: The emergency shutdown system operated in response to quite a standard situation," he added.

The radiation background did not exceed the natural one at all monitoring instrumentation points on the territory of the power station, in the Gulf of Finland, in Sosnovyy Bor, and St. Petersburg on Saturday [28 March] morning.

Part of the fuel assembly has already been extracted from the reactor. However, the lower half of it, the so-called tail, can be dismantled only after the reactor is fully cooled.

According to the cooling procedure, the shutdown reactor of the third power unit gets completely cooled within several days. At the same time, preparatory work has already been launched to replace the damaged working channel, a spokesman of the station's chief engineer service told ITAR-TASS.

Power station director Anatoliy Yeperin said the reactor will remain disconnected tentatively for ten days. It will take two weeks if not more to repair it. Then it will be possible to speak about its control start-up.

However, Deputy Mayor Vyacheslav Shcherbakov of St. Petersburg emphasised that the reactor "will not resume operation operation either in two days' time or in two weeks without an inspection by experts from the International Atomic Energy Agency."

At present four out of 16 Chernobyl-type reactors are installed at the Sosnovyy Bor nuclear power station. The first of them, according to reactor technology, should be shut down in the year 2001. But, owing to ever frequent malfunctions of this type of reactors, a number of Russian and foreign experts favour the termination of the operation of such facilities earlier than planned.

Ulyanovsk Institute Problems Imperil Safety

PM3103100992 Moscow ROSSIYSKAYA GAZETA in Russian 26 Mar 92 First Edition p 1

[Report from ROSSIYSKAYA GAZETA—ITAR-TASS "News" column: "World Standard? Think about It..."]

[Text] The interest-free loan—guaranteed by the Ulyanovsk Oblast head of administration—which the Atomic Reactor Scientific Research Institute was able to obtain at the beginning of the year has petered out.

The best cadres are leaving the institute. This calls into question the safety of the atomic power stations operating both in Russia and the CIS as a whole: This institute was and remains for them the sole developer of reactor materials technology and improved operating methodologies. The institute enjoys a monopoly in the sphere of producing sources of high specific activity. Many developments in this area have been patented and recognized as superior to world standards.

Mothballing the reactors, the specialists suggest, will require around the order of 200 million rubles, and an equal sum will have to be allocated annually over a decade to maintain the special protection service and prevent a new Chernobyl: The institute is also an underground test site for the burial of waste material with a storage pit for spent nuclear fuel.

Plants in 'Degradation'; Crimea Short of Energy

AU2703094192 Kiev Radio Ukraine World Service in Ukrainian 1430 GMT 26 Mar 92

[Text] As you probably know, there was recently an accident at an atomic plant in the vicinity of the Russian city of St. Petersburg. This accident has reminded us of our own misfortunes.

Today's newspapers write about them. The Chernobyl Atomic Electric Power Plant—the Time of Degradation. This is the title of the material published in HOLOS UKRAYINY. Recently, the Commission of the State Atomic Inspection of Ukraine checked how regulations and safety rules are being fulfilled during the exploitation of the first and third units of the Chernobyl plant. The results of the inspection are given below.

At the third unit, [word indistinct] of safe exploitation of the reactor were not fulfilled. Moreover, the personnel failed to switch the power unit over to safe conditions in time. Due to the absence of supplies, some of the equipment continues to be used after its scheduled life is over. At the same time, the labor discipline of the plant's personnel has been found to have deteriorated.

The material in PRAVDA UKRAYINY deals with yet another atomic plant—the one in the Crimea. Several years ago, the construction of the atomic plant on the peninsula gave rise to numerous protests on the part of public opinion. At that time, the question was not finally resolved. What is the fate of the plant today? The director of the plant speaks about it on the pages of the newspaper.

In 1989, it was decided, by a resolution of the Ministry of Atomic Energy, to transform the atomic station into an educational and training center. A whole year passed until drafts for such reconstruction were elaborated. However, when they were completed, it turned out that the project was totally helpless from the economic point of view.

Then, the disintegration of union structures started and the plant was completely forgotten. The unfinished project and its workers were left to the mercy of fate.

At present, all facilities of the plant came to the ownership of Ukraine. A [word indistinct] board of directors has been created for the construction of a Crimean plant—thermal, this time. However, so far, there is no decision regarding either its financing or provision with fuel.

Let me add for the conclusion: The Crimea today has an 85-percent energy deficit. This deficit is being covered entirely at the expense of Ukraine. The [word indistinct] electric power plant will be able to produce no more than 20 percent of the energy needed. Therefore, the Crimea will continue to need Ukrainian electric power.

New Ballistic Missile Could Be Developed

LD2703200192 Moscow POSTFATUM in English 1758 GMT 27 Mar 92

[From the "Military News" section]

[Text] Moscow—According to some reports, the chief headquarters of the CIS Joint Armed Forces and Russian defense-related enterprises received an order from President Boris Yeltsin to develop a new single-block ballistic missile. Some military experts believe that this order is related to the fact that Boris Yeltsin and U.S. President George Bush may discuss at the coming meeting a total elimination of multi-block ballistic missiles, which may result in a strategic domination of the USA implementing advanced defense programs based on other weapon systems.

Navy 'Sources' on Reported Sale of Submarine

LD3003200392 Moscow POSTFACTUM in English 1804 GMT 30 Mar 92

[From the "Military News" section]

[Text] Moscow—The Navy will sell submarines, but to Iran and not to Iraq, and one instead of three. PF [POSTFACTUM] learned from reliable sources on March 29 that the INTERFAX report about the sale by the CIS Navy to Iraq of three submarines, which are at the disposal of the Baltic Fleet and which are being prepared for the voyage, is not quite accurate. The press centre of the CIS Armed Forces was anxious to deny the report.

According to the official, who supplied this information, the sale of submarines is just being prepared, and the deal has not been closed yet. One submarine—currently part of the Baltic Fleet—is being prepared for sale.

It is not Iraq, as INTERFAX reported, but Iran, which intends to buy it.

Kozyrev on CSCE Role in Karabakh Conflict

LD2803120792 Moscow Mayak Radio Network in Russian 0900 GMT 28 Mar 92

[Excerpt from interview with Russian Foreign Minister Andrey Kozyrev with unidentified correspondent; in Helsinki; date not given—recorded]

[Text] [Kozyrev] A decision has been adopted to hold a conference on Nagorno-Karabakh and I think this is generally a useful idea. But it is important to prevent the conference from turning into yet another form of various organizational preparations which only lead to avoiding direct actions in this region where blood is spilled and where there is the need for serious measures.

This danger does exist somehow because the procedural problems usual for international conferences have already arisen. The conference now needs a chairman, for instance. We welcome, of course, the holding of any conference in Minsk since this capital is the CIS coordination center. That is good. At the same time, one can imagine that such a conference will require considerable and financial efforts on the part of our Belarus friends. Generally, all this is rather complex, of course.

Therefore, we proceed on the assumption that the CSCE and personally Jiri Dienstbier, the Czechoslovakian foreign minister and the current chairman of the CSCE, will continue to play a coordinating role in all peace-making efforts, and second, on the assumption that Russia is to preserve its peace making role by continuing it not in competition with the conference, the CSCE, or others.

Rather on the contrary, we will continue this mission to make our contribution, since no one has yet thought up anything better than the four clauses in the Moscow communique. All other ideas revolve around the same set of concepts: cease-fire, the lifting of blockade on humanitarian aid, and the launching of a negotiation mechanism.

[Unidentified correspondent] Andrey Vladimirovich, you have mentioned the possibility of direct actions in Nagorno-Karabakh. What direct actions specifically would be expedient?

[Kozyrev] What I meant by direct actions is this: when we gathered 10 days or so ago in Brussels at the NATO cooperation council, we spoke there about the fact that Dienstbier should urgently fly out to Karabakh to try and assess the situation on the spot and perhaps to bring the sides together to the negotiation table. So, by a direct action I mean a trip to the region of a high-ranking representative with the CSCE's mandate.

West's Rescheduling of Soviet Debt Reported

PM3003151392 Moscow IZVESTIYA in Russian 27 Mar 92 Morning Edition p 1

[Elmar Guseynov report: "Western Creditors in Frankfurt Give Us Extension..."]

[Text] The CIS countries are being granted another three-month extension on the payment of some of the former USSR's foreign debt. This decision on behalf of the international banking committee for debt control was made public at the latest committee session in Frankfurt.

We are talking about a sum of $3.2 billion. Last December the payment deadline was extended to the end of the first quarter of 1992. Now a new extension has been required. The request for the extension, judging by the information available to us, came from CIS and Russian financial structures.

The extension relates to debts to foreign private commercial banks rather than state loans or loans guaranteed by the state. Commercial credit accounts for no less than $25 billion of the collapsed USSR's estimated total foreign debt of $65 billion.

The decision was reached by representatives of 600 creditor banks headed by Deutsche Bank, the FRG's largest financial institution. German banks account for the lion's share of the Soviet debt to the West—$32.7 billion. Of this, $6.4 billion is commercial credit not guaranteed by the state.

Despite the possible deferment of repayment of the principal, the successors of the former USSR will have to pay the foreign debt interest payments falling due in 1992. These amount to $6-7 billion.

Judging by information coming out of banking circles, the extension will not be a simple act of charity. The Frankfurt session will demand a report from CIS representatives—particularly the leadership of the Bank for Foreign Economic Activity (the main credit recipient)—on the effectiveness of controls on export earnings, the condition of the state budget, and measures to create a market economy in the CIS states.

The problem of an outflow of foreign currency from the CIS republics and the possible use of these funds for debt repayment will also be discussed.

Judging by everything, the events in Frankfurt are a prelude to the incipient process of reviewing the collapsed Soviet Union's debt obligations. It is expected that next week's Paris meeting of 17 creditor states of the former USSR will decide to extend the deadline for repaying $4 billion worth of principal. This relates to credits guaranteed by the Western states.

In any event, we can assume that in the next few months the subject of the CIS countries' debts will be one of the leading topics in any contacts between those countries' governments and the Western economic establishment.

Military

Shaposhnikov Recommended for Defense Minister

OW3103112592 Moscow INTERFAX in English 1010 GMT 31 Mar 92

[Transmitted via KYODO]

[Text] According to sources close to the Chief Command of the CIS Joint Armed Forces, last Friday [26 March] the command recommended the Russian political leadership to appoint Marshal Yevgeniy Shaposhnikov Defence Minister. It was implied that he would remain the Chief Commander of the Joint Armed Forces.

At the session the first deputy Defence Minister Colonel-General Pavel Grachev gave permission for the expansion of the powers of the committee for the personnel whose chairman Major-General Nikolay Stolyarov might become one of the deputies of the future defence minister.

Armed Forces Command Discusses Russian Army

LD2703211392 Moscow TASS in English 2022 GMT 27 Mar 92

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow March 27 TASS—A meeting of the board of the CIS Allied Armed Forces' Supreme Command, chaired by the forces' Commander-in-Chief Yevgeniy Shaposhnikov, discussed the implementation of the Russian President's decree on creation of the Russian Defence Ministry and the Armed Forces of the Russian Federation.

The meeting also considered aspects of Russian defence building, which are vitally important for both the Russian Federation and other CIS states, head of the CIS Allied Armed Forces' Information Department Lieutenant-General Valeriy Manilov told correspondents here today.

In the opinion of the board, the creation of the Russian Army will contribute to the stabilization of the situation in society and the solution of topical military problems, including social and legal protection of servicemen.

He noted the Russian Armed Forces will include the Army, the Navy and the Air Force. As for the air defence troops, they will also be present in this or other way in the Russian defence system.

The strength of the Russian Armed Forces will be considerably reduced at the expense of improvement of administrative and all-arms structures. The strength of the Russian Army will be established with due account of world standards, proceeding from the coefficient 0.8 to the Russian population, which will amount to about 1.2-1.3 million people.

The major aim of future Russian military building is the creation of a minimum of sanguineous [as received] formations and units capable of effective ensuring of the sufficient level of combatability and efficient routine functioning.

It is planned to create mobile, well-equipped and professionally- trained formations. The Russian Army will gradually pass over to the professional contract basis.

The creation of the national armed forces will take no less than two years, in the opinion of Manilov.

The general did not exclude a possibility of formation of a defence union of NATO type in case all CIS states create their national armed forces and integration tendencies remain. If the process will follow the disintegration way, the need for the CIS allied armed forces' supreme command will fall away.

Session Proceedings Detailed

PM3003101492 Moscow KRASNAYA ZVEZDA in Russian 28 Mar 92 p 1

[Unattributed report: "CIS Joint Armed Forces High Command"]

[Text] A session of the CIS Joint Armed Forces High Command chaired by Marshal of Aviation Ye. Shaposhnikov took place 27 March and examined fundamental questions pertaining to defense development. Colonel General P. Grachev, first deputy commander in chief of the CIS Joint Armed Forces, delivered a report on the structure and possible combat strength of the Russian Armed Forces. Colonel General V. Semenov, commander of the general-purpose forces, briefed the gathering about the combat strength and tasks of the CIS Joint Armed Forces general-purpose forces in the context of the setting up of the Russian Armed Forces. Lieutenant General V. Vorobyev, chief of the CIS Joint Armed Forces Central Finance Administration, devoted his report to problems pertaining to the state of the CIS Joint Armed Forces financial provisioning.

Further on Deynekin Visit to Uzin Air Base

PM3003100892 Moscow TRUD in Russian 28 Mar 92 p 1

[V. Badurkin report: "Taking Off! What Will Happen to CIS Air Force in Ukraine"]

[Text] The meeting between Colonel General of Aviation P. Deynekin, commander of the Air Force, and airmen of the "mutinous" 106th Heavy Bomber Air Division in Uzin began unusually. Major Gen. M. Bashkirov, the division's commander who was removed from his post by Marshal Shaposhnikov for "commercial" abuses and reappointed to it by Ukrainian Defense Minister K. Morozov, asked permission to leave the room during the very first minute.

The young-looking division commander, a real "professional" airman, who only recently enjoyed the boundless respect of his fellow servicemen, walked out hiding his eyes from the officers who, largely thanks to his efforts, had separated into two not very amicable camps. This was how they sat at the conference: on the right—commanders of the crews of IL-78 tanker aircraft who have taken the Ukrainian oath; on the left—pilots of TU-95 combat aircraft who have refused to betray an oath once given.

However, it seems to me that it would be oversimplifying the matter and not quite honest to hold the division commander alone totally to blame for causing the best long-range aviation division to split and virtually lose its combat capability. It would be just as wrong to divide the pilots into those who have and have not taken the oath to Ukraine. It is not the oath that has come between the former fellow students and fellow servicemen but the perfectly natural desire to survive and feed their families during these troubled times.

Almost one-third of the Uzin Garrison's officers and warrant officers do not have their own housing, and everyone knows how much private accommodation costs. The wages of a strategic combat pilot, who carries four missiles with nuclear warheads beneath his wings and loses up to 6 kg in weight during a flight, are half those of women at the local sugar refinery. Whereas previously the romance of the skies and the prospects of service helped them to reconcile themselves to such a wretched existence, now neither of these exists. For many reasons—primarily economic ones—flights have become a dream that can seldom be realized. The division's future looks extremely bleak. There must be no nuclear weapons in Ukraine within two or three years, which means that it will not need carrier aircraft either. Change the place of service? To where? There are only three such divisions in the CIS—at Semipalatinsk and at Ukrainka in Amur Oblast in addition to Uzin. I will not venture to judge Kazakhstan, but I have repeatedly visited Ukraine [as published] and I can say that even in this far from attractive village people are not awaiting new residents with open arms.

The tanker pilots have excellent IL-78 tankers capable of transporting tens of tonnes of freight, which means a prospect of commercial activity, earnings, and confidence in the future. So they were tempted by their division commander's offer to move under the wing of independent Ukraine.

The consequences of such a step are another matter. But it is politicians, not rank-and-file pilots, who must think of this.

Did the Ukrainian Government know that, by pulling out a regiment of tankers and a transport squadron from the 106th Division, they are turning a combat strategic combined unit into an ordinary assemblage of bombers incapable of resolving their inherent tasks without being refueled in the air? Of course they knew, for it is not for nothing that the minister of defense is a colonel general of aviation. Nevertheless, they resorted to this.

Three "privatized" air armies with a huge number of combat aircraft did not seem enough to the Ukrainian leaders. Their "vital interests" have now extended to the hardware of long-range and military transport aviation. Without waiting for the end of the talks on the makeup of the strategic forces and contrary to international norms, they are laying claim to the 6th and 7th Military Transport Air Divisions stationed at Krivoy Rog and Melitopol.

It so happened that the very best airfields in the former USSR were constructed in Ukraine. It was to there that the most modern hardware was also sent. Suffice it to say that 192 of the 459 CIS transport IL's are stationed on Ukrainian soil. But, you know, "stationed" does not mean "belong." They were built in 43 Russian plants and assembled in Tashkent, and the engines were made by Rybinsk workers. Of course, Ukraine participated in the funding of this program, and some of the aircraft must rightfully belong to it. But which ones?

All this must be calculated by the experts engaged in sharing out the property of the former USSR. At the meeting of CIS heads of state in Kiev the Ukrainian delegation offered its view of the question of legal succession to the Union's property. On Yeltsin's initiative this question was removed from the discussion because it consists of several areas, each of which requires careful elaboration. The Ukrainian president evidently perceived that as a reluctance to sign the agreement at all...

They spent three days explaining to Col. Gen. V. Yefanov, commander of military transport aviation, who wished to meet with airmen of the 6th and 7th Military Transport Divisions, that there are none of "his" troops in Ukraine and so there was nothing for him to do there. CIS Air Force Commander P. Deynekin spent 24 hours waiting for permission to fly in the skies of independent Ukraine—for the same reason.

A great deal becomes clear when you familiarize yourself with the president's concept of the new economic program approved by the Ukrainian parliament, which needs a sound financial foundation. It is here that the ships of the Black Sea Fleet, the tanks withdrawn from East Europe, and, still more so, its "own" military transport aircraft will all come in handy. It is clear to anyone that the republic will not be able to afford as many aircraft as there are on Ukrainian territory today.

But what about the airmen, who will very soon be surplus to requirements? Who will take care of them and their families? Under a decree of the Russian president the Air Force is permitted to sell abroad 1,600 aircraft stationed on Russian territory and to channel the resultant currency into housing construction. The Air Force Command is sure that this will make it possible to resolve the airmen's housing problem within two or three years. But transport aircraft will not be sold, only combat ones. And then mainly obsolete models. What action will they take in Ukraine?

...Air Force Commander Petr Deynekin suggested that Gen. M. Bashkirov tender his resignation. Mikhail Mikhaylovich refused without a second's hesitation. He henceforth obeys Ukraine. Whom, in that case, does the strategic air division in his charge obey? And not only this division...

Officers' Council Satisfied With Kiev Summit

PM3003110892 Moscow KRASNAYA ZVEZDA in Russian 27 Mar 92 p 1

[Interview with Major General Ye. Razinkov, member of the CIS Joint Armed Forces Officers' Assemblies Coordinating Council Presidium, by KRASNAYA ZVEZDA correspondent Lieutenant Colonel V. Zyubin; place, date not given: "All-Army Officers' Assembly Planned for May"—first paragraph is introduction]

[Text] Major General Ye. Razinkov, member of the CIS Joint Armed Forces Officers' Assemblies Coordinating Council Presidium, told our correspondent about this. He also answered a number of questions.

[Zyubin] Yevgeniy Vladimirovich, we know that you participated in the Kiev meeting of Commonwealth heads of state. What impressions did you form of it?

[Razinkov] There is satisfaction with what was achieved. After all, practically all the military questions which were put up for discussion were resolved. True, several documents had to be tabled due to weak preparatory work. For example, in the document about utilizing air space, those who worked on it overlooked the question of civil aviation. In my view, in order to avoid such annoying shortcomings in the future, it is necessary to create a permanent interstate coordinating body for military questions consisting of independent experts. It would devote itself to high-quality preliminary work on the documents. This would release the High Command and defense ministers of the sovereign states from duties which are not their province, and would allow more effort and time to be put into questions of defense capability and combat readiness.

The very complex and, you can say, bloody question of Nagorno-Karabakh and the Dniester region was raised in Kiev. The CIS states came to an agreement on creating security forces which would separate the warring sides.

The discussion of the protocol to confirm the list of military formations and facilities included in the Commonwealth's Strategic Forces proved difficult. In the end it was removed from the agenda.

The agreements which were adopted on the principles of manpower acquisition in the CIS Joint Armed Forces and execution of military service in them and on the powers of the Commonwealth's highest bodies dealing with questions of defense, the decision on the CIS Joint Armed Forces High Command, and a number of others inspire some hope of fruitful joint work in the future.

These decisions are timely, as the situation in the Joint Armed Forces remains complex. The level of combat readiness is falling, as is the morale of personnel. Certain political forces are still attempting to play the army card, and are striving to bring nationalism and self-interest into the military sphere. You cannot help but see that after January's All-Army Officers' Assembly a new phase in the the Armed Forces' politicization began. Particularly among middle-ranking officers. The trend for officers to unite in organizations and movements with different political orientations is becoming increasingly apparent. This is becoming dangerous.

I would like in particular to emphasize the following: The delay in resolving a whole set of legal questions concerning the provision of collective defense are not conducive to maintaining at the necessary level the Commonwealth states' defense capability and the normal functioning of the Joint Armed Forces. In the course of the talks process, the interests of the Commonwealth as a whole in the area of security and defense capability are not always taken into consideration. It is necessary without delay to clarify the question of the Commonwealth states' military doctrine.

[Zyubin] Did people at the conference in Kiev take notice of what the officers' assemblies were saying when resolving military questions?

[Razinkov] Yes. In the course of the preliminary work by experts at the level of defense ministers and representatives of defense committees, we, the members of the Coordinating Council, said everything we considered necessary to say. Meetings with the presidents took place. I cannot say that any one of them displayed a disrespectful attitude to members of the Coordinating Council (and therefore to the Officers' Assemblies, whom they represent). On the contrary, all of them showed interest in these meetings.

[Zyubin] At the Coordinating Council's second session, officers expressed their dissatisfaction at the fact that in Minsk a number of their wishes and plans were not adopted. It was decided to put them forward again for discussion by the Commonwealth heads of state. Did you succeed in doing this?

[Razinkov] These questions were not put directly in Kiev. In this connection I would like to draw attention to two points. On the one hand, work up till now has basically been carried out on general questions, but the officers are of course interested in specific problems. Take the forthcoming troop reduction: We want to know by what principle it will be carried out, what social and legal guarantees are envisaged for this complex period, and much else besides. This is why there is dissatisfaction. I think that it is high time to pass on to specifics, and resolve these topical issues as well. On the other hand, even those laws which have been adopted are not always put into effect. There is no mechanism for their implementation and monitoring. The time has also come to think about this. Incidentally, it would be possible to entrust the interstate coordinating body I mentioned earlier with these functions.

[Zyubin] Will there be a routine session of the Coordinating Council in the near future?

[Razinkov] The Presidium has decided that we will definitely convene the All-Army Officers' Assembly at the end of May. And on its eve the Coordinating Council will be convened.

[Zyubin] Where will the All-Army Officers' Assembly be held? What will the agenda be?

[Razinkov] The question of the venue is still open, but provisionally, it will be in Moscow. You understand that I can only talk in general terms about the agenda. It is necessary to discuss with the officers the results of the Minsk and Kiev meetings and outline the prospects for further work.

Navy Deputy Chief of Staff 'Pensioned Off'

LD2503143592 Moscow POSTFACTUM in English 1042 GMT 25 Mar 92

[From the "Military News" section]

[Text] Moscow—On March 24, in general headquarters of the navy the order was signed on sending into resignation the first of 78 admirals to be pensioned off in 1992. As PF [POSTFACTUM] was told at the general headquarters of the navy, this admiral was Fleet Admiral Ivan Kapitanets, first deputy of the chief of staff of the CIS navy. All in all, 724 admirals and generals are planned to be sent to resignation from those who now serve in the armed forces of the CIS.

Agreement With Georgia on Cooperation Expected

LD2803231692 Moscow POSTFACTUM in English 1936 GMT 28 Mar 92

[From the "Politics" section]

[Text] Tbilisi—Chief commanders of Commonwealth Joint Armed Forces and Georgian government intend soon to sign an agreement on military cooperation identifying the status of Transcaucasian Military District units in Georgia. At the general headquarters of Transcaucasian Military District PF [POSTFACTUM] was also told that Tbilisi is visited by a representative of CIS joint armed forces commission headed by General Boris Gromov, deputy commander of infantry armies. The objective challenging the commission is to pinpoint the real situation with the Transcaucasian Military District unit and consider the advisability of a powerful military group in the region, as well as to resolve the problem of withdrawing the 4th Army from Azerbaijan.

Media

Ukrainian Journalists Break Away From CIS Unions

LD2703184492 Moscow TASS in English 1424 GMT 27 Mar 92

[By ITAR-TASS correspondent]

[Text] Moscow March 27 TASS—The Confederation of Journalists' Unions has become international under a decision of a plenary meeting of the confederation's council that ended here today.

The Ukrainian Journalists' Union broke away from the confederation using its right for free separation. Now the Ukrainian Union will build its relations with the confederation on the basis of bilateral agreements. The union has concluded such an agreement with Russia.

Meeting participants stressed the confederation remains open for cooperation with the Ukrainian journalists' union and suggested a meeting of plenipotentiary delegations from Ukraine and the confederation.

The plenary meeting also set up a working group to elaborate and offer governments of the CIS states legal, financial and organizational principles of cooperation in information exchange.

The meeting decided to hold an international seminar early next summer with participation of UNESCO representatives to discuss aspects of reporting on interethnic and inter-state relations.

TASS Carries Press Review for 31 Mar

LD3103064192 Moscow ITAR-TASS in English 0604 GMT 31 Mar 92

[Text] Moscow March 31 TASS—The Russian Defence Ministry, which is now being created, should have from four to seven thousand specialists together with the general staff specialists, Aleksandr Kotenkov, deputy head of the state legal department in the Russian president's office, said in an interview with the army newspaper KRASNAYA ZVEZDA.

The state legal department should draft a provision on the Defence Ministry, define its structure and temporary staff within the next month. Kotenkov is absolutely sure that the Army should be under civilian control and a civilian should be at the head of the new establishment.

In a reply to a query by a KRASNAYA ZVEZDA correspondent, Major- General Yuriy Netkachev, commander of the 14th Army, said the declaration of the state of emergency in Moldova "has only increased tension" in the Dniester region.

The newspaper ROSSIYSKAYA GAZETA carries an interview with President Igor Smirnov of the Dniester Moldovan Republic, who called for ending immediately bloodshed in Moldova. He thinks "it is necessary first and foremost that the armed forces of the warring parties be disengaged and the ceasefire agreement be honoured."

RABOCHAYA TRIBUNA publishes a shortened verbatim report of the newspaper editors' talk with Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs. Volskiy thinks the Commonwealth economy is now on the verge of total collapse.

"The situation has heated up to the critical point and some unification is needed in order, first, to move to rectify the errors that we have already made and, second, to move towards reconciliation and the consolidation of efforts. Squabbling in the government will bring about nothing good," Volskiy noted.

In the newspasper SOVETSKAYA ROSSIYA, People's Deputy Vladimir Isakov criticises the performance of the Russian Government and parliament. In his view, "the entire Russian national-state policy found itself in a blind alley."

In the same newspaper, renowned researcher-economist Tatyana Koryagina criticises the Russian Government's economic policy. She believes "the economic reform pursued by the government needs to be freezed."

In an interview with the newspaper TRUD, Igor Klochkov, chairman of the federation of Russia's independent trade unions, expresses his point of view on economic problems. He argues that "halting the plunge in production and enacting the structural overhaul at the macrolevel should be the pivot of an economic programme and all actions of the government in this year and the first quarter of next year."

TASS Carries 30 Mar Press Review

LD3003190992 Moscow ITAR-TASS in English 1828 GMT 30 Mar 92

[Text] Moscow March 30 ITAR-TASS—Today's IZVESTIYA daily reports that supporters of ousted Georgian President Zviad Gamsakhurdia seized several towns in western Georgia on Monday [30 March]. The republican authorities issued an ultimatum urging illegal armed groups to hand in their weapons and disband themselves by midnight Monday.

The newspaper also carries a report about the situation in the Dniester republic, warning that the conflict may grow into a civil war any minute.

Former Soviet Defence Minister Dmitry Yazov, who is charged with a coup attempt last August, may also testify on the accident with the Soviet nuclear submarine "Komsomolets," which sank in the Barents Sea in the spring of 1989 with 42 people aboard, the newspaper VECHERNYAYA MOSKVA said, quoting senior military prosecutor Viktor Shein.

The newspaper also reports about a meeting of the heads of republican banks of the former Soviet republics in the city of Zaslavl, near Minsk, on Monday. They discussed ways to divide the gold and diamond stocks of the former Soviet state bank Gosbank and signed an agreement establishing a procedure for introducing national currencies in their republics.

The newspaper maintains that the Commonwealth Joint Armed Forces will switch to a contract system of drafting conscripts this spring. Servicemen will receive from 1,300 to 8,000 roubles a months.

IZVESTIYA publishes the results of a public poll in Russia, which shows that the majority of respondents do not want the Russian government to resign. The newspaper also says that the death rate has exceeded the birth rate in the republic for the first time since the Second World War.

Genrikh Padva, lawyer of Anatoliy Lukyanov, former Soviet parliamentary speaker who is now in prison for participating in the 1991 August putsch, requested Russian Prosecutor General Valentin Stepankov to release Lukyanov from under custody for health reasons, VECHERNYAYA MOSKVA said.

Both newspapers offer several articles about the draft Russian Constitution, which is expected to be adopted by the Sixth Congress of Russian People's Deputies opening in Moscow on April 6. They publish interviews with Sergey Alekseyev, head of the former Soviet Constitution Compliance Committee, and St. Petersburg Mayor Anatoliy Sobchak.

TASS Carries Press Review for 28 Mar

LD2803072792 Moscow TASS in English 0554 GMT 28 Mar 92

[Text] Moscow March 28 TASS—All today's newspapers highlight an incident involving a foreign submarine off Russia's coast in the Barents Sea on March 25.

The foreign submarine, detected by the Northern Fleet ships at the entrance to the Kola Gulf on March 25, was in Russia's territorial waters, Rear-Admiral Valeriy Aleksin, chief navigator of the CIS Navy, told ITAR-TASS, SOVETSKAYA ROSSIYA newspaper reports.

Everything points to deliberate actions of the foreign submarine which apparently was a U.S. or British one because no other foreign submarines have been observed in the Barents Sea during the period, Aleksin said.

Northern Fleet ships were not only tracking the foreign submarine and edging it out of the territorial waters but were also taking measures to bring it up from a dive, the Northern Fleet's ASW Department chief told KRASNAYA ZVEZDA (RED STAR) newspaper.

The anti-submarine ships were prepared to use weapons but no command to this effect came. "It must be recognised that foreign vessels treat us rather unceremoniously now, feeling at ease in Russia's territorial waters," KRASNAYA ZVEZDA notes.

Parliamentary news analysts of ROSSIYSKAYA GAZETA report from the Russian parliament that a keen debate developed at the parliament session on a draft new constitution of Russia.

The parliament managed to complete the discussion of only the second section of the fundamental law but was unable to accept the wording "to approve in the main" owing to the unyieldingness of the Council of Nationalities, the journalists write.

The Council of Nationalities strongly criticises individual press media which recently stepped up scathing attacks on the Russian parliament and its speaker Ruslan Khasbulatov.

Leonid Lagin, in a commentary headlined "Governments Come and Go While the President and the Parliament Remain", analyses in the newspaper "the essence of the current confrontation between the parliament and government". Press media believe that the parliament chief was the initiator of this confrontation.

"Journalists should have unraveled the essence of this confrontation long ago. This is not a question of personalities. The matter concerns different concepts of a system of power in a new Russia. Either we choose a system of equivalent, independent branches of power (legislative, judicial and executive), on which the parliament and its speaker insist, or the executive power will get the legislative branch under (and, subsequently, the judicial one, too), on which the government insists", Lagin writes. [sentence as received]

"The developments of the past week show all too definitely that the problems of the former Soviet Union have become international ones and that almost the whole world is now busy looking for answers to the most complex questions of CIS life," writes Aleksander Golts, news analyst of KRASNAYA ZVEZDA.

In this connection Golts asks the question: What is the West's real aid to the republics of the former Soviet Union? "Notwithstanding almost daily torrents of reassuring words about our nascent democracy, the West is far from being in a hurry to get down to resolving our problems. The promised cooperation is obviously marking time and credits, which are granted with a good deal of propagandist pomp, turn out to be frozen, and a decision on a rouble stabilisation fund has not been taken up to now," the news analyst concludes.

In ROSSIYSKAYA GAZETA, a group of Russian scientists is trying to give a detailed analysis of the price liberalisation policy and find out how it influences the country's economic development.

Pointing out the need for the liberalisation of prices as the main element to restore the financial balance of the economy and for the application of the world prices pattern, the scientist argue that the prices of energy carriers can be freed but it is essential to cancel taxes, too.

"Through low prices of fuel and raw materials we have been keeping the economy afloat for years: There was an overall subsidy. Upon the application of world prices, the subsidy for the fuel-and-energy sector would inevitably disappear. If old taxes remain intact, we would thereby stifle the domestic industry ourselves, preserving forever the semi-colonial nature of our economy as provider of raw materials," the scientists conclude.

International Affairs

News Conference Held on Yeltsin-Cossiga Talks

LD3003180292 Moscow ITAR-TASS World Service in Russian 1438 GMT 30 Mar 92

[By ITAR-TASS correspondent Gennadiy Talalayev]

[Text] Moscow, 30 Mar (ITAR-TASS)—The problem of Italian credits earmarked for the former union for 1990 has been resolved. These have been reformulated for Russia and have already come into operation. This was stated today in the course of talks in the Kremlin between Russian President Boris Yeltsin and Italian President Francesco Cossiga, who is in Moscow on an official visit.

As a representative of the Russian president's press service reported to journalists, it was noted at the Kremlin meeting that the next task now is to begin talks on the credits for 1991. It is planned to sign an agreement on them as soon as a new government is formed in Italy in accordance with the results of the parliamentary elections scheduled for the beginning of April.

Francesco Cossiga shared his impressions of his recent visit to NATO headquarters. According to him, he saw a completely new picture there—a military alliance which has no opponent. At the same time, the Italian president came out in favor of preserving this organization to resolve, for example, regional problems. At the same time, in his opinion, it is necessary to rethink the strategic concept of NATO in order to turn it into a structure for military and political cooperation. Seats of tension still exist, however. It is sufficient to glance at Iraq, Yugoslavia, Cambodia, or Libya. The guaranteeing of security has now become everyone's business and Russia should join in this process, Francesco Cossiga stressed.

Our country is committed to participating in all European economic structures as well as to a political presence in NATO. Moreover, it is not a question of Russia joining this organization, Boris Yeltsin stated. He agreed with the Italian president that NATO should become a single European organization guaranteeing political cooperation on the continent. This will promote the elimination of the possibility of confrontation between Eastern and Western Europe. The resolution of such a task is already becoming realistic now under conditions where all tactical nuclear weapons are being destroyed and strategic weapons and the size of armies are being reduced, the Russian president stated.

More on Talks

AU3103113692 Rome ANSA in English 1014 GMT 31 Mar 92

[Text] (ANSA) Moscow, March 30—Bilateral relations, Italian aid to the Russian Federation as it makes the difficult shift from a planned to a market economy, and the general political situation in Europe were at the center of talks Italian head of state Francesco Cossiga had here Monday [30 March] with Russian President Boris Yeltsin.

During his press conference following their meeting, however, Cossiga also focused ample attention to the situation in Italy and sharply criticized the "distortions" of Italy's political-government system in which it has become near impossible to pin-point responsibility.

The meeting between Cossiga and Yeltsin was also attended by Italian Foreign Minister Gianni de Michelis and his Russian counterpart, Andrey Kozyrev, with the Italian delegation including Rome ambassador to Moscow, Ferdinando Salleo, and the secretary general at the president's office, Ambassador Sergio Berlinguer.

Monday also saw Cossiga awarded with an honorary degree in law from the University of Moscow, and in his acceptance speech the Italian head of state focused on democracy, politics and government, underscoring the drawbacks which have developed in Italy.

These themes were later the focus of Cossiga's press conference at which he stressed the urgent and needed reform of the Italian political-government system which he affirmed had become distorted.

"We have a system in which one cannot pin-point responsibility," Cossiga said, "and when responsibility cannot be traced then elections serve only to sanction the de facto power of oligarchies and not to deliver a mandate or punish the abuse one [as received]."

"In Italy," he continued, "there is no capacity of mediation and choice for the part of the political system. A democratic system must attempt to mediate but then, having won the greatest consensus possible, it must take decisions. In our country we don't know who should decide."

Cossiga then went on to cite, as an example, the 1992 finance and spending bill. "I shouted against it," he recalled, "the government shouted against it and even parliament did. Yet nobody knows how it got through, not the government, not parliament, not even the head of state."

"Everyone," he continued, "draws attention to the scandal of uncovered spending, of easy laws. Yet, these bills, in order to become law, must be approved by parliament, countersigned by the government and then signed by the head of state."

Cossiga then recalled how over the past month-and-a-half he was faced with one bill to sign on an average of every two and a half hours. "And when I decided to send some back to parliament because they lack sufficient funding," he affirmed, "everyone branded it as a scandal, because they were most important laws. The bill on asbestos was very important, on this there was no question, but we have [words indistinct] which prohibits us from doing very useful and important things if there is no money to do them."

Yeltsin-Cossiga Talks End

LD3003175492 Moscow Radio Moscow World Service in English 1500 GMT 30 Mar 92

[Excerpt] Talks have ended in the Kremlin between the Russian President, Boris Yeltsin, and the Italian President, Francesco Cossiga, who arrived in Moscow on an official visit. According to newsmen, attention was focused on bilateral ties in politics, the economy, and trade. The sides also discussed ways of guaranteeing security in Europe. [passage omitted]

Yeltsin Comments on Meeting

LD3103094992 Moscow ITAR-TASS in English 0935 GMT 31 Mar 92

[By ITAR-TASS correspondent Gennadiy Talalayev]

[Text] Moscow, March 31 TASS—"We became friends with President Cossiga last December and met as friends in Moscow," Boris Yeltsin said today after the official send-off ceremony in the Kremlin's St. George's Hall today.

The two presidents held brief friendly talk in conclusion of Cossiga's official visit to Russia at the invitation of its president.

"Despite the official nature of the trip to Moscow, for me it was a visit to a friend," Francesco Cossiga told a small group of journalists in the Kremlin. According to the Italian president, he and the Russian president understood each other from the very first moment of their meeting in Italy last December.

"When I received the president of Russia in Rome and now when I am in Moscow, I simply cannot understand how our two countries could have been separated for seventy-odd years. How could it come about that we regarded each other as enemies," Cossiga said.

"Now,—he said,—we have many problems that need to be solved, political and economic. True, there are no longer military problems between us. There are no more humanitarian problems. Both in bilateral relations and at international forums in which our countries participate we pledge to make every effort for Russia to be able to overcome the crisis it is going through."

"Russia is a great country and its revival is a condition of peace and progress in the whole of Europe," Cossiga said.

"Italy is the first among the Western countries form the point of view of supporting reforms in this period which is crucial for Russia," Boris Yeltsin told journalists. He expressed gratitude to President Cossiga for the support.

According to Boris Yeltsin, the visit of the head of the Italian state continued the dialogue that began during his visit to Rome. "This dialogue," the Russian president said, "embraces a very wide range of relations: human, political, economic, the problems of European security, the Helsinki process, religion and aspects of work of the security services."

Yeltsin Hosts Banquet

LD3103094292 Moscow Radio Moscow World Service in English 2100 GMT 30 Mar 92

[Excerpt] The Russian President Boris Yeltsin on Monday [30 March] gave a banquet in honor of the Italian President Francesco Cossiga now in Moscow on an official visit. In his speech, Boris Yeltsin voiced confidence that as a result of the talks, the two countries would become still closer and would better understand each other. He said that in a broader perspective, Russian-Italian contacts were laying a firm foundation for Russia's integration in European affairs. Mr. Cossiga for his part noted that the feelings of mutual sympathy and friendship were typical of his country's ties with Russia. He gave an assurance that Italy would spare no effort to help conclude, within reasonable terms, a comprehensive agreement between the European Community and the Russian Federation. [passage omitted]

Kozyrev Meets Italian Counterpart

LD3003144292 Moscow ITAR-TASS World Service in Russian 1339 GMT 30 Mar 92

[By ITAR-TASS correspondent Grigoriy Shmelev]

[Text] Moscow, 30 March (TASS)—Talks took place this morning in the Ministry of Foreign Affairs of the Russian Federation between Andrey Kozyrev and Gianni de Michelis, the heads of the foreign policy departments of Russia and Italy. The Italian minister is in Moscow as part of a delegation of Francesco Cossiga, the president of the Italian Republic, who arrived here on an official visit on the evening of 29 March.

The ministers of foreign affairs of the two countries discussed issues of Russo-Italian relations and a number of topical international problems. After the talks ended, Gianni de Michelis and Andrey Nechayev, the Russian economics minister, signed a memorandum on mutual understanding on the matter of the usage of Italian credit facilities by the Russian Federation.

Italy's Cossiga Ends Visit

LD3103091992 Moscow ITAR-TASS in English 0734 GMT 31 Mar 92

[By ITAR-TASS correspondent Gennay Talalayev]

[Text] Moscow, March 31 TASS—An official ceremony to bid farewell to Italian President Francesco Cossiga was held in St. George's hall of the Grand Kremlin Palace today.

Cossiga was in Moscow on the official visit at the invitation of Russian President Boris Yeltsin. The state anthems of Italy and Russia were played.

A brief friendly talk between the two heads of state was then held.

Kozyrev, Iran's Va'ezi Discuss Karabakh

LD2703152692 Moscow TASS International Service in Russian 1420 GMT 27 Mar 92

[By ITAR-TASS diplomatic correspondent Sergey Nikishov]

[Text] Moscow, 27 Mar (ITAR-TASS)—"We fully support Iran's aims and achievements regarding a cease-fire and the beginning of a negotiating process in Karabakh," Russian Foreign Minister Andrey Kozyrev said on 27 March before the start of talks with Iranian Deputy Foreign Minister Mahmud Va'ezi.

At the same time, Kozyrev stated Russia's intention to continue its own efforts at mediation in this matter. "We believe the efforts of the CSCE and the United Nations are also proceeding along the same line," he stressed. The minister noted the need to act in unison in tackling the problem.

The Iranian deputy foreign minister commented that "the situation in Nagorno-Karabakh is such that its consequences could affect Russia more than anybody else." Mahmud Va'ezi advocated close contacts with the Russian Federation in settling the conflict.

After the meeting, Andrey Kozyrev told journalists that issues of bilateral cooperation in the Caspian Sea area and the problem of prisoners of war in Afghanistan had also been discussed.

Further on Kozyrev Meeting

NC2803080492 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT 28 Mar 92

[Text] Iranian Deputy Foreign Minister Mahmud Va'ezi, the head of the Iranian team supervising the Nagorno-Karabakh cease-fire, met Russian Foreign Minister Andrey Kozyrev in Moscow. During the meeting, which lasted a few hours, issues of mutual interest, Iran's peace-seeking efforts in the region, and the implementation of a cease-fire in Nagorno-Karabakh were discussed.

During the meeting, Kozyrev expressed his appreciation for Iran's peace-seeking efforts in Nagorno-Karabakh. Va'ezi asked Russia to cooperate with Iran in efforts to restore peace and security to the Nagorno-Karabakh region.

Kozyrev also stressed that Iran and Russia need to cooperate in Central Asia and the Caucasus region, saying: We welcome Iran's positive stance on Central Asia and the Caucasus, a stance based on cooperation instead of rivalry.

He said that his country is ready to help restore peace in the Nagorno-Karabakh region. Kozyrev said that (Zemiskiy) was his special representative for cooperation with the Iranian mediation team on the Nagorno-Karabakh issue.

Va'ezi addressed a news conference on the conclusion of his one-day visit to Moscow, saying: The fourth phase of Iran's peace plan for Nagorno-Karabakh will be implemented the beginning of next week, with a multilateral session with the participation of Azerbaijan, Armenia, Iran and representatives from Nagorno-Karabakh.

Va'ezi said that the fourth phase of talks will take place at a site near the Azerbaijani and Armenian borders. Va'ezi explained that to date, Azerbaijan has cooperated and agreed with all Iran's proposals and plans. He said that Azerbaijan will not enter into direct talks with Nagorno-Karabakh officials. These talks will take place through the representatives of Khankendi and Shusha.

The Iranian official discussed the participation of international organizations in the establishment of peace in Nagorno-Karabakh, saying: Iran's mediation efforts have been reported to the UN secretary general. In our plan, he continued, the forces for peacekeeping and for supervising the cease-fire will be stationed with UN cooperation. We will also use the services of the International Red Cross for POW and body exchanges, as well as for providing assistance to refugees and residents of Nagorno-Karabakh.

Va'ezi returned to Yerevan last night to continue his talks with Armenian officials.

Announces Cease-Fire Agreement

LD2703211292 Moscow TASS in English 1818 GMT 27 Mar 92

[By ITAR-TASS diplomatic correspondent Aleksandras Budris]

[Text] Moscow, March 27 TASS—Mediatory efforts to settle the conflict in Nagorno-Karabakh taken by Iran have helped to reach a ceasefire in the region, Iranian Deputy Foreign Minister Mahmud Va'ezi said at a news conference in Moscow today.

He said the warring sides have agreed to prolong the ceasefire agreement until an upcoming meeting of the presidents of Azerbaijan, Armenia, Iran and Russia. Representatives of the four states are working out a joint agreement to be adopted by the presidents at the meeting, which is expected to be held on the Azerbaijani-Armenian border next week.

Azerbaijan has also allowed to use its railway roads to deliver medicines and food to Nagorno-Karabakh, Va'ezi said.

Va'ezi Cited on Mediation

PM3103101792 Moscow IZVESTIYA in Russian 30 Mar 92 Morning Edition p 4

[Own Information report: "Iranian Diplomat's News Conference"]

[Text] Iranian Deputy Foreign Minister Mahmud Va'ezi has given a news conference at the Iranian Embassy in Moscow on the results of his trip to the Transcaucasus within the framework of the Iranian initiative to mediate in the settlement of the Armenian-Azerbaijani conflict. Va'ezi expressed the confidence that the latest cease-fire accords will be fulfilled. He reported that according to his information Azerbaijan agrees to the participation of a Nagorno-Karabakh delegation in the talks on condition that it include representatives of both Stepanakert and Shusha.

To IZVESTIYA's question on Tehran's official attitude toward [Russian Foreign Minister] A. Kozyrev's initiative on sending CSCE peacekeeping forces to the region, the deputy minister did not give a direct reply but merely stressed that any such mission must be authorized by the United Nations.

Foreign Ministry on Kozyrev Asia Trip Results

PM3003134792 Moscow ROSSIYSKAYA GAZETA in Russian 27 Mar 92 First Edition p 7

[Article by Vitaliy Churkin: "From Beijing to Tokyo"]

[Text] The Russian foreign minister's visits to China, the Republic of Korea, and Japan have given rise to varied assessments in the press. That is entirely understandable in view of the complexity of the problems, partly inherited from the past, which face Russian diplomacy in this part of the world. In this connection a Russian Foreign Ministry spokesman briefly acquaints readers with the main practical results of this full and useful trip.

China

Both sides confirmed the priority of mutual relations between Russia and China and agreement was reached on the continuation of political contacts. An invitation to pay an official visit to the PRC was conveyed to President B.N. Yeltsin.

The treaty and legal base of relations was strengthened. There was an exchange of ratification instruments of the agreement on the border between Russia and China on its Eastern sector. Russia's entire border with China, over 4,300 km long, apart from the Western sector (50 km) and three islands on the Eastern sector, has now been regularized. Talks on these sectors will be continued. The sides agreed to lend additional dynamism to the talks on the reduction of armed forces and confidence-building measures in the region of the border with China and to promote their termination in practical results.

Political impetus was given to the expansion of trade and economic cooperation. Beijing is prepared in principle to grant new mercantile credits on preferential terms. There was a discussion of the prospect for creating a free enterprise zone at the mouth of Tumannaya river. The Chinese have announced the opening of three more cities on the border with Russia, specially geared to the development of border economic cooperation.

Mutual understanding was reached with regard to the fact that the sides' different approaches toward the human rights problem should not affect the steady development of interstate relations.

The coincidence or proximity of views on the majority of topical international problems, including disarmament, was revealed.

South Korea

The minister's trip was the first phase of the preparation of B.N. Yeltsin's official visit, scheduled for September 1992. In general, there was a discussion of the draft treaty on the basic principles of relations between the two countries, which it is planned to sign during the summit meeting.

A consular convention and a memorandum on mutual understanding on questions of the issue of visas between Russia and the Republic of Korea were signed. This substantially facilitates business contacts between the two countries.

Political conditions were creating for unfreezing the unused portion ($1.2 billion) of the $3 billion in credit supplied by South Korea to the former USSR. President No Tae-u gave instructions for the solution of this question. As a whole the South Korean side displayed the readiness to embark on the development of trade, economic, and scientific and technical cooperation with Russia.

Japan

Preparation was begun for the Russian president's visit to Japan. The sides agreed to prepare a major political document on the principles of relations between Russia and Japan and a number of agreements on the development of relations in practical fields.

The Japanese informed us that they are beginning state insurance for the activity of Japanese companies, including investment activity, on the Russian market to a total of $1.8 billion and are also prepared to embark on agreeing terms for the implementation of a large-scale credit ($500 million). They are thus unfreezing the $2.5 billion program announced in 1991 for the USSR for economic support for our reforms. Agreement was reached on opening new general consulates—a Russian consulate in Niigata and a Japanese consulate in Khabarovsk.

The Japanese voiced their readiness to accelerate the establishment of new maritime and air lines of communication between the cities of the Far East and Japanese cities on Hokkaido and the seaboard of the Sea of Japan.

There was a discussion of the question of concluding a peace treaty. It was confirmed that Russia as the state that is the continuer of the USSR recognizes without exception all treaties and agreements concluded by the USSR with other states. This fully applies to the 1956 joint declaration between the USSR and Japan.

It was stressed that the Russian leadership intends to resolve the question of the peace treaty on the basis of the principles of legality and justice, renouncing the concept of building relations on the basis of the World War II "victor and vanquished" formula.

Matters went no further than that. The talks showed once again that the territorial question will remain an obstacle to the large-scale development of Russian-Japanese relations and requires a responsible political solution.

Kozyrev Appeals to CIS Members on POW's

PM3003161592 Moscow IZVESTIYA in Russian 28 Mar 92 Morning Edition p 6

[Georgiy Stepanov report: "Russian Foreign Ministry Does Not Divide Prisoners in Afghanistan Into Ours and Not Ours"]

[Text] The former republics of the USSR, now the independent states of the CIS, are seeking to sort themselves out and untangle their problems one at a time. The misfortunes and concerns of their neighbors are frequently interwoven in them—for example, the fate of the prisoners of war being held captive by the Afghan opposition (according to various estimates, there are between 40 and 80 of them).

The situation that has come about is a cause of serious concern in the Russian Foreign Ministry which has resulted in an unprecedented message from Russian Foreign Minister Andrey Kozyrev to his colleagues heading the CIS countries' foreign policy departments. Last week Kozyrev appealed to them to pool their efforts to get the Commonwealth citizens released by continuing direct contacts with the Afghan Government and the opposition and, most importantly, with each other. According to information from Russian Foreign Ministry sources, there has recently been an increasing number of instances of CIS countries' representatives traveling to Pakistan and campaigning only for their own prisoners in talks with the mujahidin.

There has not yet been any reply to Kozyrev's message. To date there has been no progress in resolving the POW problem. The mujahidin either refuse point-blank to give them up or set conditions that they know to be unacceptable—demanding, for example, that our citizens be exchanged for their own people in Kabul jails.

Kozyrev Interviewed by Portuguese Weekly

LD3103083192 Moscow ITAR-TASS in English 0806 GMT 31 Mar 92

[by ITAR-TASS correspondent Gennadiy Petrov]

[Text] Lisbon, March 31 TASS—Under the headline "We do not give up our role in the world" the Portuguese weekly EXPRESSO published an interview with Russian Foreign Minister Andrey Kozyrev.

"Russia views three elements as pivotal in its policy: first, preserving the continuity of the state's principles, which means the independence of diplomatic relations from the political system. Second, maintaining everything positive that was acquired by the Gorbachev-Shevardnadze diplomacy and perceived positively in the world within the framework of new political thinking. Third, we develop our own initiatives by gradually asserting ourselves on the international political scene.

"Relations with the Commonwealth member-states are one of the new important areas in the Russian Foreign Ministry's activity. It was necessary that we recognise the new states' sovereignty and try to preserve everything that brings us together", Kozyrev stressed.

"Another area where diplomatic activity needs to be invigorated and barriers inherited from the USSR cleared is the Far East". Kozyrev recalled that a peace treaty with Japan has not yet been signed and "without the normalisation of relations between Moscow and Tokyo, Russia will not have a normal Western policy".

Kozyrev expressed the desire to strengthen relations also with Third World countries. He described the establishment of relations with South Africa as the most significant result of his recent trip to Africa. According to Kozyrev, the visits to Angola and Egypt demonstrated that Russia did not abandon its global role either in the Middle East or other parts of the world.

Kozyrev emphasised that not more than three people - the president, prime minister and foreign minister - should shape Russia's foreign policy.

Asked why Russian Foreign Ministry personnel was not renewed fastly enough, Kozyrev said it was very difficult to find suitable people. "We are looking for clever workers rather than political commissars who were named by the Soviet Communist Party Central Committee in the past".

At the same time, Kozyrev noted there were many true professionals among career diplomats, who should be kept in their jobs. What is all-important is not to repeat the Bolshevik practice of persecuting old personnel, Kozyrev said.

Statement Issued on Libyan Extradition Refusal

LD3003231392 Moscow Radio Moscow World Service in English 2100 GMT 30 Mar 92

[Text] Russia has voiced regret that the efforts applied by it and by the entire international community have not persuaded the Libyan authorities to carry out Security Council Resolution 731 requiring Libya to extradite two of its citizens suspected of blowing up a Pan-American airliner over Scotland in 1988. A Foreign Ministry statement published in Moscow on Monday [30 March] says Russia is facing the (?fourth) decision of backing in the Security Council the second resolution with regard to Libya. The resolution provides for [words indistinct].

Foreign Ministry Issues Statement on Moldova

LD2903073292 Moscow ITAR-TASS in English 0708 GMT 29 Mar 92

[Text] Moscow, March 29 TASS—In view of reports on the imposition of a state of emergency throughout the territory of the Republic of Moldova, the Ministry of the Russian Federation has issued a statement, calling on the Moldovan authorities and all parties concerned to act strictly in accordance with the norms of international law, legality and respect for the rights of the individual and ethnic minorities.

The main thing, the statement points out, is to prevent an escalation of bloodshed, violence and hostility.

The statement expresses Russia's readiness to participate in any efforts, including international ones, to contribute to stabilising the situation and emphasises the need for all parties concerned to act strictly in accordance with the quadri-partite declaration endorsed in Helsinki.

Official Outlines Tasks at CSCE Conference

LD3103084392 Moscow ITAR-TASS in English 1656 GMT 30 Mar 92

[By ITAR-TASS correspondent Aleksandr Surikov]

[Text] Helsinki, March 30 TASS—The fourth meeting of member-states of the Conference on Security and Cooperation in Europe (CSCE) continued its discussions today mainly in four working groups behind closed doors. They will consider issues on the further development of institutions and structures of the CSCE, security problems, the human dimension and cooperation in the sphere of economy and environment protection.

Yevgeniy Gusarov, head of the Russian delegation and head of the department on Security and Cooperation in Europe at the Russian Foreign Ministry, speaking at forum today, stressed the following priority lines of work for his country:

First, to strengthen functions of the chief CSCE bodies—the council and the committee of high-ranking officers—through organizing institutions of chairmanship, making them capable to react promptly to the course of events in the CSCE region.

Second, to work out a general position as regards giving gradually a legal force to some obligations related to the CSCE.

Third, to make proposals for the creation of the European court on conciliation and arbitration.

Fourth, to coordinate all parameters of the CSCE forum on cooperation in security.

Fifth, to work out norms related to national minorities. Special attention should be paid to the aspect of "an early warning" system about conflicts on inter-ethnic soil and a proposal to introduce a post of the CSCE supreme commissioner on national minorities.

Sixth, to widen guarantees for the observance of human rights and the development of democracy.

Seventh, the Russian delegation intends to give particular emphasis to issues lying within the competence of the fourth working group. It is necessary to do everything possible to prevent the division of Europe on socio-economic principle and ensure the global environment protection. Cooperation of the CSCE countries in the field of nuclear power engineering might also become an important sphere of interaction.

The Russian delegation is willing to work in a practical and hopes to get concrete results, from the viewpoint of the development of democratic reforms in Russia, Gusarov told ITAR-TASS. The Helsinki process has now reached a stage where it is necessary to pass from declarations to actions which will lead to the creation of the single Euro-Atlantic space in political, economic and humanitarian spheres, the Russian diplomat pointed out.

Leonid Smolyakov Named Ambassador to Ukraine

PM3103083592 Moscow ROSSIYSKAYA GAZETA in Russian 26 Mar 92 First Edition p 1

[Unattributed reports under "In Brief" headline]

[Text]**New Committee**

A Committee To Support Small Enterprises and Enterprise has been formed under the Russian Federation State Committee for the Management of State Property by decree of the Russian Federation president. Petr Andreyevich Myagkov has been appointed committee chairman.

Appointment

Leonid Yakovlevich Smolyakov has been appointed Russian Federation ambassador extraordinary and plenipotentiary to Ukraine by decree of the Russian Federation president.

Cuban Raw Sugar Received in Stavropol

LD3103123892 Moscow POSTFACTUM in English 1859 GMT 30 Mar 92

[From the "External Economic Relations" section]

[Text] Stavropol—On March 30 the first shipment of raw sugar from Cuba was received in Stavropol.

11,000 tonnes of crystal sugar will hit the stands as soon as they are refined at the sugar-processing plant in Izobilnoye. Experts say the the quality of the sugar is high, and stocks will last long enough to provide sufficient supplies for all holders of three months' ration tickets and the needs of the local food industry. Yakov Bashkatov, chairman of the Trade Turnover and Retailing Department of the Regional Administration's Directorate of Economics, said that Cuban sugar will sell for R20 [rubles] per kg based on the norm of 1 kg per month per family member.

In the first half of the current year 49,000 more tonnes of Cuban sugar will be delivered to the Stavropol area.

Federation Affairs

Shakhray Resigns Over 'Delimitation' Question

LD3103093192 Moscow Radio Rossii Network in Russian 0800 GMT 31 Mar 92

["Full text" of resignation letter from Russian Deputy Prime Minister Sergey Shakhray, submitted to Russian President Boris Yeltsin on 31 March in Moscow]

[Text] On the eve of the Congress of People's Deputies in the Supreme Soviet, a campaign for an early resolution of the matter of government members' powers as deputies has been unleashed with new force. It is evident that an unholy struggle for the purity of the principle of the delimitation of legislative and executive powers is being set in motion by the initiators of this campaign.

The deprivation of a number of deputies within the system of executive power of their powers as deputies represents a paltry contribution to this delimitation. This is all the more so as the attempts to achieve this aim are being made in violation of the Constitution of the Russian Federation, since the clause on the incompatibility of the deputy's mandate with membership of the government applies to the latter where they are appointed or elected by the Supreme Soviet—Article 92 of the Constitution. However, at present, in accordance with Article 121 of the Constitution of the Russian Federation, members of the government are appointed and dismissed by the Russian president. The references, which are moreover extremely contentious, to the current legislation cannot be accepted since the constitutional norms, as is known, have supremacy. In order to guarantee the principle of the incompatibility of the deputy's mandate with the occupation of a post within the system of executive power, it is sufficient to make amendments to Article 92 of the Constitution, particularly as such corrections have been prepared and less than a week remains to the congress.

However, all of these legal refinements are unlikely to stop the voting machine in the Supreme Soviet. Consequently it is not a battle for the purity of principles but other reasons that are motivating the known forces in the Supreme Soviet. I am far from thinking that in this case it is a matter of attempting to settle personal scores with anyone, according to a schedule—first deputies, then the government, and then the problem is resolved. It is more probable that we are facing an attempt to exclude all of us from active work at the congress and in so doing reduce the number of votes by the supporters of the president and the reform, to create an obedient body of deputies. In the conditions that have taken shape, I consider it necessary to ask you to accept my resignation from the post of deputy prime minister of the government. I think that at the current time I will be of more use in actively working on preparations for the holding of the congress, a congress at which we are fated to make a historic choice for Russia.

To Be 'More Useful' at Congress

LD3103080192 Moscow ITAR-TASS in English 0748 GMT 31 Mar 92

[Text] Moscow March 31 TASS—Russian Deputy Prime Minister Sergey Shakhray handed in his resignation on Tuesday [31 March] to the Russian president.

Shakhray, a key figure in Boris Yeltsin's team, said his decision is connected with a recent campaign to immediately strip members of the government of their parliamentary mandate. This is a hidden attempt to "exclude us all from active work at the coming congress (of Russian People's Deputies) and thus decrease the number of supporters of Yeltsin and his reforms and to create obedient parliamentary corps", according to him.

Russian laws envisage that parliamentarians who are appointed members of government cannot retain parliamentary mandates, however it is the congress which is to strip them off the mandates.

Shakhray believes he can be more useful while preparing and working at the congress which is to open on April 6. He is also a presidential adviser on legal problems.

It was impossible to find out Yeltsin's reaction to Shakhray's request.

Gaydar Discusses Fuel Prices, Public Fear

LD2803225492 Moscow Russian Television Network in Russian 2028 GMT 28 Mar 92

[Interview with Yegor Gaydar, Russian Federation deputy prime minister for economic affairs, by correspondent T. Khudobina; monitored in progress—live or recorded]

[Text] [Khudobina] Yegor Timurovich, the freeing of prices of energy carriers was preceded by such an active campaign in the mass media that our public was seized by fear. There is the feeling that this fear gripped not just the public but parliamentarians, too, as today's session of the Supreme Soviet showed, and possibly the government itself, too, which from time to time deviated from this measure, having stated that the freeing of energy carriers would be suspended during the spring sowing campaign. Could you tell us, please, just what is happening in this situation? Will prices of energy carriers really be freed? And if so, what consequences does the government forecast in connection with this? And if not, then the question arises as to why it was necessary to announce the freeing of prices of energy carriers so prematurely, which undoubtedly will cause a stir and provoke profiteering and the buying up of gasoline, which usually happens in such situations?

[Gaydar] Fuel prices were released on 2 January and in our republic, beginning 2 January, 20 percent of sales were at free prices. Incidentally, sales at free prices of part of the manufactured product of the fuel and energy complex were impacted, as is well known, back in 1991.

So, generally speaking, nothing terrible or dramatic is taking place. When we unfroze prices on 2 January, the decision was taken to increase the greater part of the prices of energy carriers for the time being but to leave them under state control. Serious disproportions in the prices of energy carriers appeared rather quickly among the most important resources which are used in power engineering, for example, metal. It went up rather quickly because the present price of coal received from Ukraine is imposed on the price. It is already much higher than any of our forecast estimates on the possible dynamics of prices of coal in Russia after any freeing. It is not possible to maintain such disproportions for long because one of our most effective and most important sectors of the national economy, let's say, oil extracting, is insolvent, and well, that's just not normal.

From the very outset we gave that safety valve in the form of 20 percent, then as the financial difficulties deepened, we had to expand the share of free sales to 40 percent. On the whole, that did not cause a mass stir for a long time. People got used to there being gasoline at different prices.

In fact, demand for fuel itself was rather limited by dint of the fact that the consumer is a monopolist, that is, oil refining. We are formulating fair quota now for the export of oil beyond the borders of Russia. The very considerable difference between even the stock exchange price on the internal market and the external market bears witness to this.

Hence, the situation was, all in all, developing the way it should. Naturally, such a price disproportion in the conditions of free prices for the remaining resources could not have survived for long, nor can it, nor will it be preserved, notwithstanding any decisions by the government, parliament, or whoever.

Let us say this: Currently, the normal price for a tonne of gasoline, relatively speaking and notwithstanding the disproportions, is between 2,000 and 2,500 rubles, while some of this oil is marketed at 4.2 rubles and the oil industry workers are endeavouring to freely market the rest of this oil, which it is found in some way possible to extract at 4,000, 5,000 or 6,000.

Hence, these panicky expectations, connected with the stabilization of prices. Unfortunately, the panic mongering that has arisen around this is, of course, much stronger than a normal, natural and inevitable process deserves. We are now, naturally, linked to our partners. We have held talks with the Government of Kazakhstan. The Government of Kazakhstan has, on the whole, lent its support to the ideas voiced in the memorandum on the economic policy of the Government of Russia and we have agreed to interact closely on the basis of this memorandum.

At the same time, the Government of Kazakhstan raised the following issue with us: that the release of prices for fuels should be postponed a bit, until the time when the spring field work will basically have been completed. On the whole, we agreed with this proposal and we agreed to take this path and postpone the liberalization of prices, those paid for oil at least, from mid- April to mid-May. Otherwise, we shall have to take some sort of temporary measures, aimed, first and foremost, at removing or lessening the level of disproportions between the free prices and the set prices, to somehow bring them closer to each other, by, say, making the free prices more subject to regulation and by making the regulated prices freer, so that this liberalization of prices is not perceived and so that it does not pass as some sort of explosion, a great economic leap forward. Naturally, further price increases will make themselves directly felt where prices of various goods are concerned. Prices, say, for air transportation, will have to be substantially increased, because air transportion is a major fuel user.

Subsidies will also have to be increased for a number of municipal services users. We hope that we will be successful in summoning additional sources of income. We are now thinking about how we are to provide for the normal minimum necessary financial demands until the moment when we are able to fully free prices. But, I stress once again, such a sharp increase in one day whereby you were living one price life, and the next day, as happened on 2 January 1992, you are already living another life with another, a qualitatively different, level of prices on as many goods as you happen to encounter, this simply will not happen again at all.

[Khudobina] Yegor Timurovich, the mass media are naming prices, figures which are completely crazy, with regard to the cost of one liter of gasoline, or, let us say, one kilowatt of electric power. How will we experience this?

[Gaydar] We are counting on being able to keep the price of one liter of petrol within the 5-7 ruble limit. A kilowatt of electric power is slightly more complicated because it is a different type of fuel and is differentiated to a high degree, depending on the region. It is differentiated to a high degree. A kilowatt of electrical power is already very expensive in industry today. High costs are already involved in this, connected with power usage now. But we think that at least for the population we will be able to limit the extent of the price shock connected with the state price for fuel. One should remember that domestic power usage is a very limited part of our electric power engineering sphere, nevertheless.

[Khudobina] At a meeting which took place recently between the leading economists and Academicians Petrakov, Arbatov and Bogomolov, demands were made for the government to introduce very serious corrections to its economic course. In particular, Nikolay Petrakov proposed that the idea of a nondeficit budget should be renounced for 1.5-2 years and that salaries and prices should be frozen. Do you agree with this? Why have the economics professors suddenly become your opponents?

[Gaydar] I would not start generalizing at all, this is the opinion of Academician Petrakov. But Academician Shatalin, for example, believes the complete opposite, he supports our policies very strongly. As far as whether I agree that corrections need to be made to our program and to our activities, we are not demoralized. Therefore, there will not be any panic corrections. We do not propose any change in course. It is another matter that we are not dogmatic. The idea that we are devoted to some kind of fetish, including the fetish of a nondeficit budget, has just been deliberately and artificially formed in society and in public opinion. The zero deficit or extremely low deficit budget has currently been of utmost importance at a time when we have been embarking on the market.

There was a very real threat of hyperinflation breaking out. This always occurs, as always exists, when a militarized economy makes the transfer to a civilian economy. Our economy was militarized to the utmost.

Now, on the contrary, an acute shortage of means of payment has arisen in the economy. In general, we may, against this background, permit ourselves to soften our financial policies somewhat. We may permit ourselves a moderate budget deficit.

After that, when the task of putting a brake on inflationary processes has become more real, this time not just through preventing hyperinflation, but through a gradual stabilization of the economy, through making prices more level and more static, then the task of removing the budget deficit, that is, reducing the budget deficit, along with other instruments of credits and financial policies, will become of utmost importance for us. As for the idea of freezing prices and wages, well, this is the surest way of returning, without fail, to where we have been getting away from with such difficulty over the past few years. After all, if you freeze prices, you must subsequently distribute the output. In order to distribute the output, an apparatus of bosses is needed. It would gather data on what output is needed and it would issue directives on what output should be produced. The entire management hierarchy, spanning Moscow to Kamchatka, becomes necessary.

Naturally, in this way, we could very quickly restore this futile system of economic regulation that had existed in our country. If you view the freezing of wages and prices as a temporary measure, as something that can be done for a month or two in order to bring down the inflationary wave....

[Khudobina, interrupting] That is exactly what has recently been proposed.

[Gaydar] If that is so, then I fail to understand why it is being proposed in isolation from other measures with the aid of which it could work. After all, the freezing of wages and prices as a stabilization measure will only work on condition that there is an extremely strict budgetary, financial and monetary policy. It is something that is elementary in economics and it is indecent to be ignorant of it.

[Khudobina] Members of parliament today added to the list of grievances addressed to the Russian Government when they were passing and discussing the budget for the second quarter of 1992. Are you in agreement with this assessment: That the government's budget policy has been a complete fiasco as far as the results of two months are concerned? This is what the esteemed Aleksandr Pochinok thinks.

[Gaydar] No, I categorically disagree with this viewpoint. The thing is that, as far as the results of these two months are concerned, we have attained our main goals, not only in the financial, but also in the macroeconomic policy. We have unfrozen the prices without bringing hyperinflationary mechanisms into play. No mass run on the ruble began in our country. You do not see new zeros on our banknotes every day, although it is indeed the case that their purchasing power has declined about tenfold against the backdrop of the removal of monetary overhang, but since that time the mechanism of hyperinflation has stayed put.

Nor is it the case that prices go up several times in the space of a week. The price of your bus ticket does not go up even as you ride the bus. It is this, then, that we managed to avert. We managed to avert it because, among other things, for two months we pursued an extremely strict budgetary policy and in these two months we reduced the budget, with income substantially exceeding expenditures. There are differences between the incomes of local budgets and republican budgets, but, on the whole, the budget system received 12 billion more income than expenditures. The budget did not engender rampant inflationary processes. This was the extreme danger.

This, then, is the essence. When we were told that a budget without a deficit is impossible, we showed that it was possible to do this. Now we are asked why we now propose to increase the budget deficit. We propose to do this because we are not sadists. We are not curtailing expenditure, including welfare expenditure, because it is something we like, but because we think this is absolutely essential at this critical stage. Now, if it is needed and if society and parliament support us, we are ready to continue a policy of sequestration which will be just as harsh. We can have a budget without a deficit for March, April and May, but we are simply not convinced that it is necessary at precisely this point or that such policy is essential and justified precisely at this stage, when a most acute payments crisis has arisen in the national economy.

[Khudobina] Yegor Timurovich, do you intend to respond just as constructively, through some sort of specific actions, to the grievances MP's [members of parliament] have about taxation policy? Do you agree with the MP's arguments? How long must businessmen wait until the Russian Government relents a bit?

[Gaydar] Unfortunately, our opportunities for moving in this direction are now rather restricted. We have revised taxes in keeping with what we consider possible. For example, we proposed that investments not only for consumer goods, not only in the oil industry, but also for conversion programs, be made tax free. This was in the draft budget that has been submitted. We intend to continue, inasmuch as our minimal financial potential will allow us, to proceed along the path of lowering, or freeing investments of taxes, because we are now really interested in enterprises making investments, investing their money in effective areas.

[Khudobina] Including investments within enterprises?

[Gaydar] Including investments within enterprises. However, unfortunately, given the situation in which we are currently finding ourselves, we are compelled to take one step at a time, gradually expanding the list of tax benefits. We can not make it apply to all investments overnight. We would be very happy so to do, the moment we succeed in removing in sufficient measure all the burdens which are still bearing down on the budget at present. Already at this stage we have lowered the real volume of taxes levied on profits, reducing it from the earlier figure of 23 percent to about 18 percent of profits, taking into account all the benefits that have been granted. We hope that in next year's budget and, if things go well, may be even toward the end of this year, we shall be able to expand this list of tax benefits even further.

Provisions for Army of 1.3 Million Examined

LD3103080892 Moscow ITAR-TASS in English 0720 GMT 31 Mar 92

[Text] Moscow March 31 TASS—The draft provisions for the establishment of the Russian Defence Ministry, its structure and staff, as well as a draft law on the Armed Forces of the Russian Federation are to be prepared in Russia within a month, deputy head of the Department for State and Legal Affairs Under the Russian President Aleksandr Kotenkov said in an interview with the daily "KRASNAYA ZVEZDA" on Tuesday [31 March].

To work efficiently, the Russian Defence Ministry should employ both civilian and military experts, it must be authorised to perform political and administrative functions, execute control over troops but not substitute the general headquarters, according to Kotenkov. The ministry and the general headquarters should have a staff of four to seven thousand employees. This will mean a three to four fold reduction of the personnel of the military managing bodies, Kotenkov said.

The "KRASNAYA ZVEZDA" reminds that according to experts' estimates a mighty prosperous state can afford to spend 6-7 per cent from its gross national product for defence purposes, as many Western countries do. Such funds make it possible to have an efficient army numbering 0.8 per cent of the population. The population of Russia is over 150 million, therefore the army should number from 1.2 to 1.3 million servicemen. The Russian Army, which will be created in no less than two years, will also be transferred to a professional basis, the newspaper notes.

Legal Foundation Viewed

LD3003203592 Moscow POSTFACTUM in English 1804 GMT 30 Mar 92

[From the "Military News" section]

[Text] Moscow—Active preparations are under way in Russia for the creation of republican military structures. Aleksandr Kotenkov, deputy head of the State Legal Department at the Russian president's office and head of the department in charge of law enforcement agencies, security and defence matters, told PF [POSTFACTUM] on March 30 that, in accordance with the decree of the Russian president, it is necessary to prepare within a month a document about the defence ministry and work out its structure and provisional staff, as well as a draft law on the armed forces of the Russian Federation. According to Kotenkov, the law should proclaim the creation of the Russian Armed Forces, which, from the legal point of view, are non-existent so far, and define the purpose of their creation, the main tasks, principles of formation, armed services to be included in it, command and management bodies, etc.

The state legal department at the Russian president's office was given the responsibility of fulfilling all of these tasks.

Representatives of the chief command of the CIS allied Armed Forces, of parliamentary committees for defence and security and military institutions will work under its guidance. Responding to the question about what, in his opinion, the Russian defence ministry should be like, Kotenkov said: I know Vladimir Lopatin's theory, under which the staff of the defence ministry should be purely civilian and rather small. If I am not mistaken, he mentioned a staff of 400 to 500 people. I think this is unrealistic. I agree that the Army should be under civilian control. I can also agree that with this in view the defence ministry may be headed by a civilian, and that the ministry's staff may include many civilian specialists. But it would be suicidal not to have on the staff of the institution, which should shape defence policy, the people who know the Army and are part of it. In the opinion of Kotenkov, the staff of the ministry should consist of between 4,000 and 7,000 people, including specialists from the General Staff. The military managerial personnel will already be reduced by three or four times in comparison with the existing structures, which employ more than 20,000 military specialists, he said.

Responding to the question on whether or not society needs other military structures, apart from the defence ministry, specifically those attached to the president's office, Kotenkov said: Presidential and government structures will be transformed without fail, but I think they will be transformed in the reverse direction—towards reduction. The problem is that we now have dozens of presidential, government and non-governmental organizations, which will be liquidated after the creation of a genuine defence ministry. The Russian president does not need a ramified structure of defence institutions, Kotenkov believes. However, the president should have an aide on defence and national security matters with a small staff. Of course, this authority will include specialists with top qualifications. In addition, analytical research centres should be created, which would work independently from the defence ministry. This is being done all over the world.

Officers Accused of Stealing Military Property

LD2803222992 Moscow Russian Television Network in Russian 1700 GMT 28 Mar 92

[Interview with A. Goptar, chairman of the Servicemen's Independent Trade Union, by "Vesti" correspondent T. Khudobina; from the "Vesti" newscast—recorded]

[Text] [Khudobina] Today the Servicemen's Independent Trade Union gave the "Vesti" program documents saying that the property of the former Soviet Army is being actively plundered. All sorts of commercial structures headed by senior army officers are transferring real estate and state funds to the start-up capital of various companies.

[Goptar] Naval property assessed at a value of 5 million rubles was transferred as start-up capital to the Novikon joint-stock company. Then there is the case of Lieutenant General Yakovlev of the medical service, head of the Kirov Military Medical Academy, who handed over a building of the academy valued at 2 million rubles as his share of a joint-stock bank's start-up capital.

[Khudobina] Another example given by the trade union is that Vice Admiral Makhonin is president of the Novikon joint-stock company; Baltic Fleet Commander Admiral Yegorov and his deputy are vice presidents of (Russo-Balt-Vest); and a whole series of respected generals, according to the attached list, are co-founders of the Military Stock Market Section, which is making illegal use of military property. We were told at the Servicemen's Independent Trade Union that Commander in Chief Shaposhnikov has prohibited officials from heading commercial structures, but....

[Goptar] Not one of the officials I have mentioned has been indicted, or subjected to any other kind of measures, either disciplinary or administrative, and they continue to occupy positions in two organizations.

Defense Sector Seeks Help To Avert Decline

PM3003145592 Moscow KRASNAYA ZVEZDA in Russian 27 Mar 92 p 2

[Report by Lieutenent Colonel A. Vorobyev: "Defense Industry Sends Out SOS"]

[Text] A news conference of Russian Federation League of Defense Enterprises representatives has been held at the Central House of the Journalist. The league was founded 26 February. Its president, Aleksey Shulunov—he is also general director of the science and production association named for P.S. Pleshakov—acquainted the journalists with a statement which says, in particular: "By doing specific things the country needs, the league intends to change the idea some members of society have of defense enterprises as a reactionary clan sabotaging economic reform. Defense enterprises, with their inherent high technological and production discipline and ability to mobilize to tackle new tasks, gain significantly from the market economy, the expansion of production volumes, and the improvement of consumer goods quality."

The league made a proposal to the Russian Government and entrepreneurial circles on the immediate joint elaboration of conversion programs and the definition of terms of material-technical and financial backup.

After the news conference your correspondent got to speak with one of its organizers—S. Shuklin, chairman of the All-Russian Defense Industry Workers' Trade Union. Here is what he said:

"Our problem is that people in society and in Russian leading organs do not yet have a full picture of the nature and potential of the defense complex. We do not know what we will be doing in a month's time. Capacities that were equipped for defense production are now free, but no one has given us the command to mothball them or dismantle them. Nor is money being made available to reconfigure production. Meanwhile, the defense industry has the potential to earn hard currency for Russia now—by exporting weapons. But compared with 1989, exports of defense products abroad have fallen by 280 percent. In the same period the United States has increased arms sales (by approximately 120 percent).

Defense enterprises' losses as a result of unplanned conversion of military production will amount to 35.4 billion rubles [R] this year (this breaks down as follows: additional funds for social protection—R13.7 billion; losses associated with unfinished production and mothballing of mobilization facilities—R10.3 billion; credits for production conversion—R7.9 billion; preservation of the social infrastructure—R3.5 billion).

At a number of enterprises thousands of workers are currently taking leave without pay.

Some 21 percent of enterprises are on the verge of bankruptcy and 43 percent will be joining the ranks of the unprofitable.

Conditions are particularly grim for the population of the 74 resource cities, which employ 80 and more percent of the working population. The situation at these enterprises is aggravated by the absence of specific production plans for this and future years and adjusted volumes of mobilization capacities and their upkeep.

Stocks of explosives that have accumulated at enterprises but are not required by the customer considerably exceed the set norms and endanger people's lives. This is forcing the management to halt production.

The collapse of enterprises of the machine building, optical, instrument building, and chemical sectors that are closely linked by their production of items required for the protection of Russia's national interests and for the people's well-being can only be prevented following the adoption of immediate measures and the elaboration of a clear action program.

In these conditions the League of Defense Enterprises proposes as priority mreasures the adoption of a Russian Federation presidential decree on immediate measures to stabilize the work of defense sector enterprises and provide social protection for working people in conditions of military production conversion.

It is necessary also to adopt a Russian Federation military doctrine, a law on defense, and others. In short, the defense industry is in dire need of a legally defined present and future.

Air Force Authorized To Seek Nonbudget Funding

PM3103102592 Moscow ROSSIYSKAYA GAZETA in Russian 26 Mar 92 First Edition p 3

[Unattributed report under the "Government Has Resolved" rubric: "The Air Force and Commerce"]

[Text] The Air Force and the Ministry of Industry of the Russian Federation have been authorized to make use of nonbudget financing and to attract home and foreign investors for this purpose. It is intended to attract a sum equivalent to $9 billion within the existing system of orders and programs of aircraft construction in the period through the year 2000. This money will basically go on financing the manufacture of transport aircraft, export-market combat planes, sports planes, trainers, and helicopters, plus aviation equipment. The Air Force will act as chief client and guarantor when concluding contracts with Russian and foreign investors. Profit earned as a result of commercial activity will be channeled toward developing the production and operation of aircraft in Russia.

'Unclear' Aspects of Constitution Assailed

MK2803111592 Moscow NEZAVISIMAYA GAZETA in Russian 28 Mar 92 pp 1, 2

[Article by Professors Anatoliy Vengerov, Valeriy Lazarev, Gennadiy Maltsev, Anatoliy Sobchak, and Anisim Ekimov: "Draft Constitution or Political Program? 'Rumyantsev' Draft Is Too Much of a Compromise"]

[Text] The draft Russian Federation Constitution submitted to the Supreme Soviet by the Constitutional Commission is markedly different from the Soviet constitutions. Above all it tries to abandon the state ideology that for over 70 years served as the criterion of absolutely everything and essentially became a new religion. But the draft goes further—it expresses a negative attitude toward any state ideology serving the interests of elite strata of society in general.

Another particular feature of the draft is that, for the first time in the country's history, it endeavors to enshrine at constitutional level the principle of the separation of powers and to pursue the idea of creating a rule-of-law state and a civil society. Finally, it also has to be said that the draft more or less adequately reflects our society's turn away from its totalitarian past toward new democratic values and common human norms of freedom, dignity, and justice.

However, there is a huge distance between the intentions of the draft's authors as solemnly proclaimed in the preamble and the first section of the draft and the embodiment of those intentions in the subsequent sections. It transpires that the resolution of basic questions relating to the subject of constitutional regulation does not ensure the proper implementation and protection of Russian Federation citizens' rights and freedoms, does not preclude excessive interference by the state authorities in various spheres of society, and does not serve the preservation of the state's integrity.

The draft is too much of a compromise and contains serious juridical errors and omissions and imprecise and vague formulas which violate the rules of legislative technique. It is too cumbersome and verbose and at the same time suffers from certain negative features of the Soviet constitutions. It is from this standpoint that we would like to analyze its provisions.

Mistaken Broadening of the Subject of Constitutional Regulation

Many of the draft's shortcomings stem from the incorrect choice of subject of constitutional regulation. A constitution should enshrine the basic principles of state-legal life, but not of social life in general. Society and the state are relatively autonomous and extremely specific. However, the preamble of the proposed draft declares, and the text attempts to implement, the thesis that the constitution is the fundamental law of society and the state. In particular, Section III, entitled "The Civil Society," and also a number of norms in the other sections allow excessive state interference in society's life and the overregulation of society, which would inevitably lead to the unjustified statization of social relations, the curbing of social and individual initiative, and confrontation between state organs and many social structures. The draft's authors clearly also fail to take into account the differences between a society and a civil society.

Because of the unjustified broadening of the subject of constitutional regulation, the draft is overburdened with norms and provisions that are not essential for a constitution. And conversely, many institutions of statehood that are intrinsically constitutional are not reflected in the draft, for instance, the electoral system, the legislative process, and so forth.

The draft attempts to use the constitution not only to regulate state-legal questions, but also to produce a quick fix for certain political problems.

The mistaken choice of subject of constitutional regulation has also had an adverse effect on the draft constitution's structure. It begins with a section entitled "Basic Principles of the Constitutional System," which is a kind of "constitution within a constitution" and is in opposition to some sections. It should have been deleted altogether. The third section, "The Civil Society," contains chiefly declarative provisions and enables state organs to continue to interfere in spheres of social life that ought to be free from legislative regulation. The collection of headings in this section is essentially arbitrary.

The desire to create a fundamental law for both society and the state has led the draft's authors to formulate the key concept of the "constitutional system" and this has supplanted the concepts of the "state system" and the "social system." Various aspects of the "constitutional system" concept are mentioned in many articles of the draft (Article 3 Paragraph 1, Article 4 Paragraph 4, Article 12, Article 13 Paragraph 3, Article 15 Paragraph 2, and so forth). According to the draft, the state and its organs, organs of local self-government, enterprises, institutions, public associations, officials, and citizens (but for some reason not organizations!) are "bound" by the constitutional system. Russian Federation citizens have the right to resist any attempt to use force or coercion to eliminate or change the existing constitutional system. The rights and freedoms of the individual and the citizen can be restricted in order to protect the constitutional system. It is prohibited to use rights and freedoms to eliminate or forcibly change the Russian Federation's constitutional system, and so forth.

The provisions enumerated in Article 12 Paragraph 2 (state sovereignty, primacy of the law, political pluralism, and so forth) are defined as principles constituting the "basis" of the constitutional system, although Paragraph 3 of the same article for some reason speaks not of the "basis" but of the "bases." The terminology used by the draft's authors is open to various interpretations. Either the aforementioned principles are the main part of the constitutional system ("basis") or these principles themselves represent "bases" on which the constitutional system rests.

It is also clear that different legal consequences would arise for each citizen out of different interpretations of the constitutional system, especially when the constitution threatens to impose penalties for its (?) "elimination." It is one thing when the dispute is about principles, that is, concerns the ideological sphere, and a different matter when it is about real politico-legal institutions, that is, concerns the state sphere.

In view of the uncertainty and vagueness of this concept, arbitrary actions with respect to any citizen might in fact easily be allowed to occur. In this connection it is appropriate to note that the broadest interpretation of the concept of the constitutional system has been used before during one of the reorganizations of the USSR KGB, when a directorate for the defense of the constitutional system was set up within the USSR KGB structure.

Absence of Guarantees of Protection of Citizens' Basic Rights and Freedoms

The draft constitution proclaims and describes citizens' basic rights and freedoms. However, the very vaguely worded exceptions from them envisaged in almost every article turn these rights and freedoms into extremely hazy provisions.

Moreover, sometimes the restrictions on these rights and freedoms look very strange. For instance, Article 13 Paragraph 3 contains the assertion that "the rights and freedoms of the individual and the citizen" can be restricted by the Russian Federation Constitution and the law in order to protect "people's rights and freedoms."

We cannot fathom what is meant here. If the reference is to the rights of communities of people (nations, for instance), how is this to be reconciled with the provision regarding "the priority of the rights and freedoms of the individual and the citizen" (Article 2 Paragraph 4) as the supreme value (Article 12 Paragraph 2) that, along with other principles, constitutes the "basis of the constitutional system"? It appears that in Article 13 Paragraph 3 the draft's authors are themselves "undermining" the integrity and stability of the constitutional system.

Basic rights and freedoms could be safeguarded by the direct operation of the constitution and the direct application of its norms. But the draft makes only half-hearted attempts to do this.

Thus under Article 114 Paragraph 4 of the draft a court is entitled to resolve a case in accordance with the Russian Federation Constitution if it deems that the law which ought to be applied contradicts the Russian Federation Constitution. This norm seemingly ensures the direct operation of the Russian Federation Constitution, which proclaims that "the constitution's norms have direct operation and are subject to direct application throughout Russian Federation territory" (Article 3 Paragraph 2). However, the drafting of Article 114 Paragraph 4 is unclear. It does not say what a court is supposed to do if the law on the basis of which a case concerning a subject of constitutional regulation ought to be decided is altogether absent.

But the most important point is that Article 3 Paragraph 2 and Article 114 Paragraph 4 contradict each other. If the constitution's norms have direct operation and are subject to application, then this means that cases relating to the exercise and protection of constitutional rights and freedoms ought to be decided on the basis of the relevant constitutional norms.

Of course, the clear establishment of the constitution's direct operation would require a new draft of basic rights and freedoms which precluded vagueness, unjustified exceptions (from the right to freedom of movement, for instance), declarative provisions, and so forth.

The contradictory approach toward defining the constitution's direct operation again turns the constitution into a declarative political program document, not a juridical document. Thus in terms of its ideology it goes back to Stalin's 1936 constitution. As is well known, one of the flaws of this constitution was precisely the impossibility of making practical use of the constitution's norms in order to protect citizens' basic rights and freedoms.

The draft contains a list of citizens' rights and freedoms that cannot be restricted during a state of emergency (Article 135 Paragraph 2). So are all remaining rights and freedoms subject to restriction? The following would be a democratic solution: An exhaustive list of rights and freedoms that can be restricted during a state of emergency should be laid down, and a proviso must be made regarding all the rest that they are not subject to any restriction.

The necessary juridical procedures for resolving disputed questions during the introduction of a state of emergency on the territory of republics, particularly disputes concerning the protection of human rights, are absent.

The draft constitution makes no provision for creating a system of organs of administrative justice, which in many foreign countries plays an important role in the sphere of protecting human rights.

Some provisions are pseudodemocratic: Article 12 Paragraph 1 (since all the questions indicated in the first section of the draft cannot be decided by a referendum), Article 43 Paragraph 2 (because of the unjustified singling out of equal rights from all other grounds as the grounds for instituting proceedings), and Article 17 Paragraph 2 (because it allows the restriction of rights and freedoms at the local level if they do not arise from Russian Federation citizenship).

We are quite unable to understand what the right to a hearing by a competent, independent court (Article 45 Paragraph 1) would mean in practice if the law, for instance, strictly lays down that cases are within the jurisdiction of the oblast court or Supreme Court.

Vagueness of Norms Relating to Citizenship

"Each person in the Russian Federation has the right to citizenship," Article 16 Paragraph 1 of the draft constitution says. The use of the term "each person" is unfortunate here: It is not clear whose citizenship is meant. Paragraph 2 of the same article speaks of stripping "its own" citizenship. The text of the article indicates that a foreign state cannot strip its own citizen of citizenship if he is on Russian Federation territory. However, it is obvious that the resolution of this question is not within the Russian Federation's competence. Moreover, Article 16 Paragraph 1 says that each person in the Russian Federation has the right to citizenship, which is also extremely strange. Does this apply to each foreigner in the Russian Federation who has come here, say, to admire the countryside?

Article 17 Paragraph 1 contains a norm stipulating that republics can **establish** their own citizenship, but the admission to a republic's citizenship of persons not permanently resident on its territory is for some reason carried out in accordance with federal law. Article 17 Paragraph 2 indicates that republics, krays, and oblasts can restrict and abolish some of the rights and freedoms laid down by Russian Federation legislation if they do not arise from Russian Federation citizenship.

The Absence of a Clear Concept of Form of Government

The draft mixes the forms of the presidential and the parliamentary republic and does not clearly demarcate the functions of president, government, and parliament, which will inevitably lead to negative consequences in organizing state organs, determining their competence, and establishing mechanisms for their collaboration and will lead to the emergence of parallel systems of executive power (state organs under the president, and the government).

The draft's rejection of the idea of a government responsible to the Supreme Soviet leads to confusion of the functions of head of state and the executive branch and the legislative and executive branches and makes the status of the government itself uncertain. At the same time in practice parallel structures emerge (for instance, the Russian Federation Ministry of Justice and the State-Legal Administration under the Russian Federation president, whose functions overlap).

The president's rights are not defined clearly, since the draft allows them to be expanded through the adoption of federal laws, whereas any change in the president's powers must be enshrined in the constitution.

The president's role and his relations with local organs of power are dual. On the one hand, he appoints federal plenipotentiaries to republics, krays, and oblasts "by agreement with them" (Article 98 Paragraph "F") who are called upon to coordinate the territorial services of the executive branch, and on the other hand the president is not entitled to dismiss the head of administration—the governor of a kray or oblast (Article 119 Paragraph 2). Given that situation the local executive branch is totally independent of the central executive.

Article 98 Paragraph "L" lays down that the president submits annual reports to the Russian Federation Supreme Soviet on the implementation of Russian Federation domestic and foreign policy and the implementation of federal programs and addresses messages to the people and to the Supreme Soviet. Under Article 98 Paragraph (?"L") each year he submits to the Supreme Soviet the draft federal budget and an article-by-article report on its implementation. At the same time Article 104 Paragraph 1 lays down that the "Russian Federation Government reports to the Russian Federation Supreme Soviet each year." This is despite the fact that the president "leads the government's activity" (Article 98 Paragraph "A"). So the correlation between the aforementioned forms of accountability on the part of the president and the government is absolutely unclear.

Inconsistency in Resolving the Question of the Form of State Structure

On the one hand the draft proclaims that the federation is structured according to the territorial principle (Article 7 Paragraph 1), and on the other hand the former constitutional tradition of structuring the state on the basis of the national-territorial criterion is retained.

On the one hand, republics can build their relations with the Russian Federation on the basis of the Russian Federation Constitution, and on the other hand they build them on the basis of the Federation Treaty (see Article VIII of the Federation Treaty).

On the one hand there is an attempt to strictly demarcate the competence of the center and the localities, and on the other their "joint charge" [vedeniye] is envisaged, which will inevitably cause a socially dangerous confrontation.

On the one hand there is an attempt to preserve the existing federation, and on the other hand it is converted into a treaty-based federation.

On the one hand relations between the Russian Federation and the republics, according to the draft constitution and Federation Treaty, are organized as relations between states, and on the other hand they are organized as relations between state organs.

The draft does not fully take into account the situation that has arisen as a result of the initialing of the Federation Treaty. There are objections to the Federation Treaty provision which essentially imposes on the Congress of People's Deputies the Russian Federation's obligation to adopt the Federation Treaty as part of the constitution in the form in which it was initialed (Article VIII). The Federation Treaty indicates that amendments and additions to it will be made only with the agreement of the republics that signed the treaty.

Shortcomings in the Organization of the Legislative Branch

Article 6 of the draft Russian Federation Constitution proclaims the separation of powers as a key principle in the organization of state power. However, this principle is implemented in a purely formal fashion.

Under the draft presidential power competes with the Supreme Soviet's legislative power. According to Article 99 of the draft, the president is entitled to publish acts and ordinances of a sublegal [podzakonnyy] nature which have to be implemented throughout Russian Federation territory.

But Paragraph 14 of the transitional provisions of the draft grants the Russian Federation Supreme Soviet the right **"during a period of radical reform"** (?!) to vest the president with the power to publish acts forming part of the sphere of federal legislation, in other words, legislative acts, not only ordinances. The period of operation of this presidential power is essentially not restricted.

It should be taken into account that the limits of a "period of radical reform" are not set out, and so the competition between the presidential and the legislative powers could continue indefinitely. Moreover, by means of this norm the Supreme Soviet cedes its powers to the president in the most important spheres of state life.

The draft lacks basic provisions regarding the legislative process and the government's participation in it. In particular, the government is not vested with the right to initiate legislation.

Article 91 Paragraph 2 lays down the Supreme Soviet's right to extend its powers if they expire during a period of state of emergency. According to Article 133, the Supreme Soviet is entitled repeatedly to extend a state of emergency. Comparison of these articles indicates that the Supreme Soviet may be interested in extending a state of emergency in order to retain its powers indefinitely.

Shortcomings of Legislative Technique

We could fill several pages with these. We will note only the most characteristic shortcomings:

The programmatic and declarative nature of the norms. Even the very definition of the Russian Federation as social (Article 1) is declarative and is reminiscent of the enshrinement of the Soviet state as a state of the whole people. The title and content of Article 2 Paragraph 1 are declarative, and Article 8, Article 15 Paragraph 1, Article 35 Paragraph 1, Article 45 Paragraph 1, Article 71, Article 74, and others are declarative.

Abuse of the practice of reference. Over 60 articles of the constitution concerning the legal status of the citizen, his basic rights and freedoms, and the status and competence of various state organs and officials contain references to federal and other laws that in the future are to define the conditions and procedure for implementing these articles, lay down exceptions from general provisions, restrict their operation, and so forth.

The fact that many norms of the draft constitution are based on references [to other legislation] is fraught with great political danger and juridical instability, since any protracted failure to adopt for whatever reasons a law to which the draft refers may turn democratic provisions into no more than "starry-eyed intentions" and block the operation of the constitution.

Evidence of that is provided by the sad experience connected with Article 58 Paragraph 2 of the 1977 USSR Constitution, whose practical implementation was blocked for 10 years.

The "elastic" nature of constitutional norms regarding basic rights and freedoms. A number of articles of the draft employ a familiar method in legislative technique, that of preparing an "elastic" constitution. The start of an article formulates a democratic rule, and then exceptions to that rule are indicated which, because of their vagueness, nullify the general democratic rule and turn the norm into essentially an antidemocratic norm.

For instance, Article 24 lays down the citizen's right to return freely to the Russian Federation, but Paragraph 3 of the same article allows this right to be restricted by federal law.

The misuse of terms. The draft constitution is full of incorrectly and inappropriately used juridical terms.

Thus it is totally unclear from Article 13 Paragraph 2 how the draft's authors are going to "regulate constitutional rights and freedoms" via the law and the constitution, if they regulate social relations.

"Social partnership" (Article 9 Paragraph 3) is used partly to mean the strange construct of a "partnership between the individual and the state" (?).

Some articles confuse normative and nonnormative, so-called individual, legal acts. In particular, Article 7 Paragraph 2 contains the concept of the "kray or oblast statute," but the legal nature of this act is not revealed at all.

Article 80 Paragraph "A" speaks of kray and oblast statutes and normative legal acts. So is the statute not a normative act?

Article 82 Paragraph "A" speaks of kray and oblast statutes and legal acts. So is the statute not a legal act at all?

For instance, Article 120 Paragraph 5, Article 121 Paragraph 4, and Article 82 speak no longer of normative but of kray and oblast legal acts, that is, of individual, nonnormative acts.

Article 3 Paragraph 3 indicates that "unpublished laws are not subject to application." However, in addition to the concept of "application"—a highly specific imperative way of realizing a law—doctrine and legislation also employ other forms of realization: observance, implementation, utilization.

Given that the draft uses only the concept of "application," it is unclear whether laws are to be observed and implemented. In short, there is total confusion.

Many terms used in the draft constitution are simply not clear, for instance, the "social market economy," "self-governing territorial units," "special territorial formations," and so forth.

Article 1 Paragraph 4 asserts that the "institution and officials serve all society, not any section of it." What is meant by "section of society"? Moreover, surely we are familiar with state structures that do serve sections of society and are specially created for this purpose, for instance, social security organs.

In general many articles of the draft are based on concepts and theoretical constructs that are by no means generally recognized and are debatable. This is a serious flaw in the draft. Constitutions are not written in order to spark debates. The draft should not institutionalize doctrines (the "broad" interpretation of the law, and so forth) or legitimize theoretical constructs ("manifestly criminal order") or ideas (the abolition of the function of general oversight exercised by the prosecutor's office) which give rise to contradictory interpretations in science, because this will work against the constitution and will jeopardize its operation and prestige.

Contradictory norms and gaps in constitutional regulation. Article 12 Paragraph 3 says that the provisions of the subsequent sections of the constitution cannot contradict the bases of the Russian Federation constitutional, that is, in effect the first section of the constitution. [sentence as published] It follows from this that all other sections can contradict each other.

Article 13 Paragraph 3 and Article 17 Paragraph 2 contradict each other, since it appears that oblasts can adopt laws.

The draft's authors have not succeeded in avoiding basic gaps in constitutional regulation—regarding guarantees of the constitution, procedures for ensuring material norms, and the responsibility of top officials.

In the present critical, unstable situation, given the extremely complex correlation of social and political forces and the absence of established political movements and parties, to submit a political program in the guise of a constitution is ultimately to doom constitutional regulation to fail.

At the same time a constitution resolving proper state-legal problems could right now play a stabilizing role and create the legal basis for emerging from the crisis. That is exactly the kind of constitution that ought to be prepared.

Latest Draft Constitution Merits Assessed

PM3003120592 Moscow ROSSIYSKAYA GAZETA in Russian 27 Mar 92 First Edition p 3

[Article by S. Stankevich, state adviser of the Russian Federation, and Ye. Tverdokhlebov, state adviser's service expert: "Russia Is Looking for Itself"]

[Text] The sixth Congress of Russian Federation People's Deputies, which should examine the draft of the new Constitution, opens in April.

Unfortunately, the last version of the draft has not been published in the press because of the brevity of the time remaining until the Congress. Yet this version differs advantageously from the first two, which have been published in the press, primarily through the high degree of coordination of various interests and demands.

At the same time it is premature to start lavishing compliments. The Constitution is being subjected to sharp, sometimes disparaging criticism. Alternative drafts are appearing, built on a fundamentally different basis. The debate runs the risk of being dragged out, while the absence of a proper Fundamental Law is increasing to a dangerous level the breach between current legislation, particularly in the Russian republics, and the acting constitutional norms.

The initialing by the top leaders of 18 of the 20 republics (except for Tatarstan and Checheniya) of the treaty on the demarcation of the powers of the federal and republican authorities in fact means that the Russian Federation constitution should reflect the constitutional and treaty structure of the Federation. Here the volume of powers of the subjects of the Federation are enshrined not only in the Constitution but also in treaties and agreements which should be approved by the parliaments of the Russian Federation and the republics belonging to it.

With a consideration for the above, it would be logical to begin the fourth section, "Federative Structure," with an article to read as follows: **"the subjects of the multinational Russian Federation are the republics, autonomous oblasts, autonomous okrugs, krays, oblasts, and the cities of Moscow and St. Petersburg. The constitutional-legal status of the subjects of the Federation and the volume of their powers can be different and are established by the Russian Federation Constitution and laws of the Russian Federation and agreements and treaties which do not contradict it."**

Alas, simple schemes for uniform, unified subjects of the Federation, for instance lands, as was suggested earlier, although they are simple as regards describing and organizing power, cannot reflect the diversity of existing realities and the interests of minority peoples, in particular those living in autonomous okrugs.

Proceeding from the varying constitutional-legal status of the subjects of the Federation, in our view it is permissible to enshrine in the constitution a varying norm of representation for the subjects of the Federation in the Federal Assembly (one of two chambers of the Supreme Soviet), for instance four deputies from each republic, three from each autonomous oblast, kray, oblast, and the cities of Moscow and St. Petersburg, and one from each autonomous okrug.

The question of the name of the legal acts of subjects of the Federation is fundamental. The recently adopted Law on the kray and oblast suggested calling the most important law-establishing acts of the Soviets of people's deputies of the krays and oblasts **local laws.** The deputies of the "Smena" faction, who were the main drafters of the law on the kray and oblast, pointed out that this title will enhance the responsibility of representative organs of power at the stage of the act's drafting and adoption and the responsibility of the executive organs of power in the process of its fulfillment and will enable citizens to defend their rights in the court citing local law.

Perhaps to maintain a precise hierarchy of normative acts it is more convenient to grant kray and oblast soviets the right to adopt **resolutions** which have the force and status of an act of local legislation.

This makes it possible to accelerate the progress of reforms through rapid and flexible decentralized decision and in addition to divide the powers of local organs of power—representative and executive—more precisely since in the absence of legislative functions the border between their spheres of competence is in practice considerably "blurred."

At the time the Supreme Soviet adopted the law on the kray and oblast at its second reading the concept of local legislation was ruled out primarily because it did not figure in the operating Constitution. Therefore it is expedient to introduce the following clause to the text of the new Constitution: **"Representative organs of state power of the subjects of the Federation have the right to adopt legislative acts which are binding on their territory. If the legislative act of a subject of the Federation is at variance with a federal law, it is the federal law which operates."** As for objections regarding possible legislative chaos, it will be in no way less (but greater) if the soviets' decisions continue to be like works of fiction which the administrator may leaf through and then put aside with a yawn.

The second and third sections, which describe the rights and freedoms of citizens and the civil society are to the credit of the authors of the draft Constitution. These sections of the Constitution have been worked out better than others and the number of amendments on these sections will obviously be the smallest, but it is hard to overestimate their importance.

Numerous instances of the death of young men in the army in peace time, cases of brutality, humiliation, and "hazing," and the demands of soldiers' mothers and many public organizations and political parties attest that society is ready to insist on the demand for **voluntary service in the army in peace time**, on the demand for the rejection of compulsory military service in peace time, and on the creation of a professional army which would cost society (not the state budget, but society) considerably less than the army which exists right now.

The carefully prepared transition to such an army within a specific period could be stipulated in the section "transitional clauses," envisaged in the draft Constitution.

Article 59 of the draft on the right to land bans "the nonuse of agricultural land or its use for the wrong purpose." At the same time many agronomists assert the usefulness of the temporary nonuse of arable land to increase soil fertility. The term "use for the wrong purpose" is vague and such questions should be illuminated in the law on the land. That is why we suggest that part (2) of article 59 be formulated as follows: **"The implementation of rights to land is regulated by the law and should exclude damage to its fertility and to the environment."**

The fifth section is devoted mainly to a description of the powers of the supreme organs of state power of the Federation yet the foundations of the organization of state power in the subjects of the Federation are described in only two articles. And the draft provides for a single option for the election of the head of executive power of a subject of the Federation—by direct universal ballot. At the same time the experience of the developed democracies shows that the election of the head of executive power by a representative organ has its advantages, primarily the greater responsibility of executive power to representative power. This is particularly important during the transition from authoritarian regimes to democratic ones, under the conditions of legal instability when the formula "it is laws, not individuals, that rule" is still not universally recognized.

The heightened responsibility of executive structures and officials to representative power is particularly important in the period of the privatization of the enormous public wealth. That is why it is expedient to retain the possibility of two options for electing the heads of executive power of the subjects of the Federation: **"The head of executive power is elected by the population or representative organ of power of the relevant level. The name and structure of organs of executive power and the procedure for electing the head of executive power and the appointment of top officials are established by the Constitution of the republic or the Statute of the subject of the Federation in accordance with federal law."**

In this connection it should be noted that we should not make a fetish of exclusively direct electoral right whereby all organs and top officials are elected directly by the people, since in our country there is not yet a reliable feedback mechanism—constant control of elected organs and officials directly by the people.

Therefore it is desirable to introduce to the first section of the draft Constitution, "Foundations of the Russian Federation Constitutional System," several amendments and additions connected with the electoral system and representative organs of power: "The sole source of state power in Russia is its multinational people **who elect the Russian president and the organs of power of various levels.** The state organs and officials operate within the framework of the law and serve all society and not some part of it and **are responsible to the representative organs of power. Any official can be dismissed within the procedure stipulated by the law.**

The elections of state organs and officials envisaged by legislation are free and multiparty elections and are conducted on the basis of equitable electoral law with a secret ballot. **Elections are regarded as valid irrespective of the number of voters who took part in them."**

This latter norm means that passive voters who do not go to vote under conditions of free, multiparty elections cannot and should not serve as an obstacle on the path of the constitutional renewal of power.

The fact that when describing the foundations of the constitutional system the first 12 articles of the Constitution do not once mention the terms "Russia," "private ownership," or "representative organs of power" attracts the attention. Instead of the centuries-old name of our multinational state, for some reason the abbreviation RF [Russian Federation] is used and enshrined constitutionally. The list of basic human rights and freedoms (article 2) must be supplemented by **the right of private ownership**, which is not only an independent value but also an essential condition for the implementation of other rights and freedoms. At the same time it is worth thinking about the expediency of retaining in the first section the articles which express wishes of a philosophical nature—"Market Economy," "Social State"—which are more suited to a party program or government's declaration of intent than to constitutional codes.

The last article of the first section, "Inviolability of constitutional system," In fact bans in perpetuity any substantial changes to the first section and allows other changes only through a nationwide referendum. Such demands were not made even by the founding fathers of the American Constitution, which has a history of over 200 years. Russia is still looking for itself, for its own idea, role, and internal structure.

Returning to the fifth section of the draft Constitution, we should mention the **alternative draft** of this section, prepared by the "Smena" faction. This version, it seems to us, prescribes in an interesting way, with a consideration for laws already adopted, the balance between the legislative, executive, and legal branches of a **single** state power. Some of "Smena's" formulas could quite well be included in the basic text. At the same time "Smena's" option in our view unjustifiably excludes rights of the Russian president: submitting to the Supreme Soviet for appointment the candidate judges of the Constitution, Upper, and Supreme Economic Courts and the general prosecutor, calling an all-Russian referendum (alongside the Supreme Soviet's right to do the same), heading the Security Council, and creating consultative organs.

The supreme officials of legal power, if the president nominates them, go through a kind of "double sieve"—the president and the Supreme Soviet—while with the "Smena" option they only have to be approved by the Supreme Soviet. The right to call a referendum is the inalienable right of the president to appeal to the people on the most important questions of the state's life, including on the question of early parliamentary elections.

At the same time the "Smena" option rightly points out that the Supreme Soviet assembles "as of right" and is not convened by the president.

The above-mentioned comments on the draft Constitution, despite their principled nature, in no way belittle the importance and quality of the draft submitted by the Constitutional Commission. These comments could quite well be considered, together with many others, when completing the draft if the commission members consider that they accord with the requirements of society and the wishes of the majority of Russian people's deputies. For the most fundamental clauses of the Constitution giving rise to differences among the deputies it is obviously expedient to vote at the Congress **before adopting the text as a basis.**

The signing of the Federative Treaty, which will then enter into the Fundamental Law of our Federation, will remove the final obstacles on the path of Russia's constitutional design. We must embark on this step immediately and the search for improved forms of statehood can be continued with a strong backing.

The widespread opinion that the present composition of the Congress of People's Deputies will be unable to adopt the new Constitution is not backed up by examples. The forthcoming Congress should not be an exception, despite the fact that it is being held in a particularly critical, nervous, and highly wrought situation. The deputies, with Russia behind them, should be all the more responsible.

Sobchak, Popov Discuss Constitution, Referendum

OW3003161292 Moscow INTERFAX in English 1514 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] The Russian Movement for Democratic Reforms (RMDR) intends to hold a Russia-wide referendum containing the question "Will the forthcoming 6th congress of People's Deputies be empowered to pass a new constitution, or will that be within the jurisdiction of a Constituent Assembly?" This was announced at a Moscow conference on Monday [30 March] which discussed the RMDR-prepared alternative draft of Russia's new constitution.

Under the Russian law, announcing a referendum requires 1 million votes in support. Gavriil Popov believes the signature-collecting campaign may take about a month to complete. In his view, the Constituent Assembly could involve representatives of ethnic autonomies, Russian MPs [members of parliament] and leaders of political parties and public associations.

Anatoliy Sobchak, co-leader of the RMDR and head of the group of lawyers that worked on the alternative draft, told the conference that "it is a big question that the deputies'corps elected years ago will be able to adopt the Russian Federation's constitution."

Constituent Assembly Proposed

LD3003193792 Moscow ITAR-TASS in English 1904 GMT 30 Mar 92

[Text] Moscow March 30 ITAR-TASS—The Russian Movement for Democratic Reforms believes a constituent assembly should be held to pass a constitution, the movement's chairman, Moscow Mayor Gavriil Popov announced in Moscow today.

The Congress of People's Deputies, scheduled for April 6, "is not the kind of body that can discuss and pass the basic law", Popov said.

St. Petersburg Mayor Anatoliy Sobchak, who supervised work on an alternative constitutional draft, believes a constituent assembly offers the only way out from Russia's current constitutional crisis. The assembly should have one goal—to pass a constitution, Sobchak said, speaking in Moscow on Monday [30 March]. It should be attended by representatives of Russian republics and regions, people's deputies and party officials.

Ideally, the Congress of People's Deputies should take a decision to convene the assembly to pass the constitution, Popov said.

Russia's constituent assembly, convened after the October 1917 revolution, lasted just one day. It was dominated by social revolutionaries, who got 40 per cent of votes and represented farmers' interests. Bolsheviks walked out of the constituent assembly when it opened on January, 5 1918 in Petrograd (currently St. Petersburg). Other parties followed suit. The next morning the assembly was closed by security guards. A day later the forum was disbanded following the passage of a decree, proposed by Bolshevik leader Vladimir Lenin. The Bolsheviks were convinced that a Soviet republic is much more democratic than a bourgeois-democratic republic with a constituent assembly. Another popular point of view says that Bolsheviks' actions were prompted by fear of losing power.

Democratic Russia Wants Civilians in Defense

OW2803215092 Moscow INTERFAX in English 1624 GMT 28 Mar 92

[Transmitted via KYODO]

[Text] The Russian leadership shows no willingness to seriously tackle army-related problems. The defence ministry is organized and appointments are made without considering the opinions of democratic-minded politicians and military leaders. "I'm afraid, the defence ministry currently being formed will be a replica of the Chief Command of the CIS Armed Forces," Co-Chairman of the Council of Representatives of the Democratic Russia movement, Vladimir Smirnov, told IF [INTERFAX].

In the new ministry, the leading posts should be occupied by civilians alone, he said. "We do not rule out the possibility of appointing military people to the ministerial posts on the condition that following a six month transition period they hand in their stripes," said Vladimir Smirnov.

In his opinion, the defence ministry should be formed by democratic-minded politicians under Boris Yeltsin's leadership.

Communist Party Plans Political Actions

LD2803185792 Moscow ITAR-TASS in English 1728 GMT 28 Mar 92

[By ITAR-TASS correspondent Yuriy Vdovin]

[Text] Moscow March 28 TASS—The Russian Party of Communists will stage political actions in the days when the Congress of Russian People's Deputies will be in session, members of the party's political council said at a news conference today. The goal of the actions is "to oppose the adoption of the draft Russian Constitution."

According to speakers, the adoption of this draft "will shore up the positions of the democratic dictatorship and bring about the establishment of the democrats' totalitarian power."

Members of the Russian Party of Communists political bureau think that the draft Constitution has norms that do not allow parties of the communist and socialist orientation to exist. Party members' participation in pickets and demonstrations will be the form of their protest.

The news conference was convened in conjunction with the registration of the Russian Party of Communists held on March 18. At present, the party has a membership of more than 5,000. The party's leaders recognise that a political force capable of turning the development of society to the socialist path is non-existent at present. Hope is pinned on the convocation of the "Congress of Left-Wing Forces" shortly, which, party members think, will help strengthen the movement of the parties of the communist and socialist orientation. At the same time, the party members are strongly against the convocation of the 29th Congress of the Soviet Communist Party (CPSU).

Participants in the news conference lamented over news organisations' inadequate attention to their party's problems and asked to bring to the public knowledge that the Russian Party of Communists set up the public foundation of "the victims of anti-people's reforms".

Democratic Groups Question Yeltsin Draft

OW3103114792 Moscow INTERFAX in English 1010 GMT 31 Mar 92

[Transmitted via KYODO]

[Text] Democratic groups in the Russian parliament insist on a meeting with the Russian president to find out his attitude to the draft of the new constitution worked out by the constitutional commission led by Oleg Rumyantsev. The statement was made in an interview with IF [INTERFAX] by the leader of the Republican Party Vladimir Lysenko.

According to the co-chairman of the Movement for Democratic Reforms Arkadiy Volskiy, it would be best if a single draft be compiled of the existing ones that would have the support of all democratic forces. Mr. Lysenko and Mr. Volskiy who are members of the organizing committee of an Assembly of Citizens of Russia due to be held on the eve of the Congress of People's Deputies in Moscow were also surprised by the decision to set up a parliamentary commission to check the funding of the event.

The commission is led by the first deputy chairman of parliament Sergey Filatov. They said that the assembly is financed exclusively by the parties and movements that came out with the initiative of holding it.

PRAVDA Prospects for Renewal Eyed

LD2803144992 Moscow ITAR-TASS World Service in Russian 1212 GMT 28 Mar 92

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow, 28 Mar (ITAR-TASS)—This morning the sign bearing PRAVDA's name was torn down from the entrance to the newspaper's editorial offices. This was reported at a news conference by Editor in Chief Gennadiy Seleznev, who viewed this as "another political provocation" against PRAVDA, the publication of which ceased on 14 March.

A statement by the editorial staff read at the news conference says that the sign with the newspaper's name was torn down on the instruction of Vyacheslav Leontev, director of the "Pressa" publishing house (the former "Pravda" publishing house). The statement by the PRAVDA journalists further says: "Militia forces were, as usual, used against the journalists who tried to prevent this outrage against the newspaper. They did not prevent the vandals. They defended the executors of the instruction of the publishing house's director. They did not permit the journalists to enter the building." The journalists at the newspaper appealed to colleagues "to express their attitude to this arbitrary rule which today is aimed against PRAVDA, but tomorrow may be used against any creative collective."

Answering a question from an ITAR-TASS correspondent, PRAVDA's editor in chief said that the publishing house claims that the newspaper's debt is now 17 million rubles. "No accountant's documents support this figure," he stated. Speaking about the prospects for a renewal in publication of PRAVDA its editor in chief expressed the hope that "if next Monday [30 March], as is expected, credits are arranged from two banks, then next week on Wednesday or Thursday PRAVDA will be published."

Supreme Soviet

Khasbulatov Reaffirms Opposition to Price Hikes

OW3003214892 Moscow INTERFAX in English 1907 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] The speaker of the Russian parliament Ruslan Khasbulatov has said that the parliament "has been firmly opposed and is firmly opposed" to the government's plans for raising the prices of oil, gas and coal. He was speaking at a meeting with the leaders of the Ministry of Fuel and Power Supply, and the managers of concerns, industries and associations of the fuel-power complex, which lasted less than 30 minutes. The oil and gas extracting industries warned that if there were no price rise, the supply of oil would be 100 million tons [as received] below the target, and of gas, 15 billion cubic meters.

The government of Russia has in response to numerous requests from customers delayed the rise of fuel prices planned for the middle of next month until the middle of May, when spring farm work will be over in most areas of the Russian Federation. However, the government has made no specific decision concerning fuel prices yet. It is very likely that the question will be discussed by the 6th congress of people's deputies, opening in Moscow on April 6.

Russia's Ministry of Fuel and Power Supply says that the targets for 1992 were 426 million tons of crude oil and 810 billion cubic meters of gas.

Abdulatipov Comments on Federative Treaty

LD3003174992 Moscow Programma Radio Odin Network in Russian 1500 GMT 30 Mar 92

[Text] The Federative Treaty will be signed in a solemn atmosphere in the Faceted Hall, Kremlin, tomorrow. This was announced by Filatov, first deputy chairman of the Supreme Soviet, at a routine session of the parliament's presidium, today. A working meeting of the delegations of all republics, which have arrived in Moscow for the signing, took place today, on the eve of the festive event.

Our correspondent Vera Shchelkunova interviewed Abdulatipov, chairman of the Soviet of Nationalities of the Russian Supreme Soviet, on the results of the meeting. Here is a recording.

[Begin recording] [Abdulatipov] We agreed on all the clauses of the federative treaty, introduced some alterations and corrections, and, perhaps, reinforced or softened certain wordings in connection with the remarks made by the Supreme Soviet. For the time being, Tatarstan, Bashkiria, and Checheno-Ingushetia have stayed outside this treaty. Article Eight has a very good clause to the effect that if somebody does not sign the federative treaty, delimitation will be carried out in accordance with the constitution. But as regards all this talk about concluding bilateral horizontal treaties, I must say in a very principled way now, after everything has been worked out, that such options are impermissible.

[Shchelkunova] That is, bilateral treaties are impossible within the borders of the Russian Federation?

[Abdulatipov] Yes. A bilateral treaty would imply leaving the Russian Federation. A bilateral treaty is possible as a version of delegating powers. But the procedure for delegating powers has already been worked out in the federative treaty. In some individual cases additional government accords could be concluded, there is no problem here. After all, this is a very mild option, and nobody is trying to corner anybody else. But those who refrain from signing today—I have in mind Tatarstan and Bashkiria—they are, in fact, worsening their political and legal position within the Russian Federation.

[Shchelkunova] What is your forecast? Will the federative treaty be signed tomorrow?

[Avdulatipov] I think that the treaty will be signed tomorrow. And even if someone does not sign it, this should not be seen as a tragedy. If, for example, 85 out of 90 subjects sign, this is already the process of building up Russia.

[Shchelkunova] Tell me, please, were the amendments voiced and taken into account at today's session aimed at the greater centralization of functions or, rather, at putting some powers under joint control or transferring them to the republic?

[Abdulatipov] I would say that, to a greater degree, they were aimed at transferring powers under joint control. [end recording]

Gaydar Delivers Budget Message to Parliament

LD2803082292 Moscow Russian Television Network in Russian 1730 GMT 27 Mar 92

[Text of report on Russian Federation President Boris Yeltsin's budget message to the Russian Federation Supreme Soviet by Yegor Gaydar, deputy prime minister for economic affairs, on 27 March—recorded]

[Text] Esteemed People's Deputies: The president has submitted a budget message for your consideration. It has been examined in the committees and commissions and at parliamentary hearings. I must say at the very outset that we concur with a whole series of remarks made in the course of these hearings, above all those having to do with a mismatch and misalignment between individual budget provisions and the forecast for 1992.

The thing is that, objectively speaking, we have been in a difficult position here because these documents are different in nature. The forecast corresponds to the budget forecast. The budget forecast can be based on a forecast for changes to the tax base and a forecast for changes in tax legislation, and it can include all the decisions it is proposed to adopt. The budget is a rigid financial document which must be based on existing legislation and decisions already adopted, and it lays down a detailed list of spending for the main categories of expenditure.

In the forecast we took account of a whole range of factors not contained in the specific list for budget expenditures. This naturally causes difficulties when the two documents are put together. On this point we are in full agreement with the remarks made by the Supreme Soviet committees and commissions. Nevertheless, to avoid wasting time on a detailed account of the documents which were submitted and discussed, I would like to focus on the main areas of economic and financial policy which we have in common and which constitute the core of the document that has been presented to you.

First and foremost, it is necessary to have a very clear idea of the basis of our forecast for 1992, for our 1992 economic policy. A comparison of the performance over time of the main industries and the main products of industry, of gross national product and national income, shows that the decline in production for all the main types of output started in this country in late 1988 and early 1989. This tendency accelerated and led to a sharp fall in all the main production indices by the autumn of 1991. In essence, by the fall of 1991 our production in Russia had gone down to 80-82 percent of the stable base of 1988.

We must have a firm understanding of the real base we are proceeding from: 80 percent of the Russian economy of 1988. It means not 567 million tonnes of oil, but 400 million tonnes, based on the average daily output at the end of 1991. It means not 69 million tonnes of rolled metal but 50 million tonnes of rolled metal based on the average daily output at the end of 1991. It means a substantial cut in the output of coke, coal, and practically all the most important basic items.

This drop in production was associated with a general structural crisis, and it accelerated sharply in 1991 under the influence of the following factors. There was a steep fall in imports above all. The decline had two nadirs. The decline reached a nadir in March-April, associated with a drop in the production of coal and rolled metal during the strikes of March and April. Then, beginning in September, there was another nadir resulting from the general disorganization of the national economy after the old administrative system fully collapsed and the new one had not yet started to function.

These two sharp falls in output have had a considerable influence on the dynamics of forecasting volumes for 1992. Why did I want to draw your attention to this? Because I do not want to have any misunderstandings here. Both the government and its opponents may try, or may have already tried, to manipulate the inevitable monthly variables in the output. For instance, the government could have claimed on the basis of the March results that there were excellent indicators in the heating industry, because the fall in coal output has completely stopped. Moreover there is a sharp increase in its production in comparison with last year. But this would have been misleading because we would have been comparing it to the output in March of last year, when miners' strikes were under way.

Similarly, it would be totally inappropriate to compare today's output of a wide range of products with the figures of the end of last year, ignoring the fact that between February and October it had shrank by 10-12 percent. Therefore we naturally base our calculations on the condition of the Russian economy in autumn 1991, when the volume of output had already been dramatically reduced, when it had already reached this level of 80-82 percent of the 1988 level.

It was obviously impossible to immediately stop the decline in industrial output which had been gaining momentum over three years and had reached the stage of a nosedive by 1991. There is no magic wand which would spontaneously bring the industrial output to the level of 1988; this decline is due to decaying equipment, the nondelivery of imported spare parts, and to the fact that economic ties between the republics had already broken down, etc. Trying to achieve this would be unrealistic.

In our estimates we set a different goal which we believe is realistic. We want to slow down the rate of decline in industrial output, to move from this sharp nosedive, first of all, to a more gradual decline, then to stabilize it, and finally to reach a level close to the one registered last fall, i.e. to end this decline and to stabilize it at an extremely low but stable level. This goal is extremely complicated in itself. It requires serious structural corrections in our policy.

The first of them, and the most important, is the adaptation of national income structures to its sharply reduced volume. As you can very well understand, one can ignore present price fluctuations, finances, money, credits; the most important indicator that defines the standard of living is the national income consumption fund. We have been trying to implement ambitious programs in the defense area and in capital investment, while the volumes of national income were falling sharply—something which we should have done in a much more favorable situation. Now, what we are planning to do as a basis of our policy is to considerably reduce the share of the accumulation fund in the national income and to increase the share of the consumption fund.

We want to reduce the share of the accumulation fund through six points, first of all through a sharp reduction in purchases of weapons, which have traditionally been financed through this fund, and in capital investment, which has been financed by both the state budget and by enterprises.

Of course, this is a policy which cannot be conducted for a long time. It is a policy dangerous in the long term, but it is the only one possible so that we can slow down at least somewhat the tempo of the fall in living standards. It is precisely because of this that our consumption fund is falling more slowly than the national income, according to forecasts. Of course, such a reallocation of macroeconomic resources creates a new situation and serious difficulties in a whole number of industries. In the first place, these are industries which have worked for the accumulation fund. Demand for products from the defense complex is falling seriously, as it is for all production of the investment complex, including construction. Enterprises and organizations working here are encountering serious difficulties, but this is the natural and inevitable price for the stabilization of the economy so we can brake the fall in the standard of living and adapt ourselves to the situation which we have already got into, not which we are getting into, but which we have already got into. From here come the inevitable difficulties for the whole bloc of machine-construction industries that are aggravated by the shortage of ferrous and non- ferrous metals.

On the whole, we consider that we will be able to consolidate the tendency, already present at the beginning of the year, toward stabilization of production of the most important, base types of products. I am talking about the growth in the average daily coke extraction rate, growth in coal extraction, stabilization in gas extraction—a fall in which appeared in autumn—stabilization in the growth of production of rolled iron, so as to create a normal industrial basis while simultaneously including in the forecast the inevitable fall in production in industries in crisis. In the first place, this is agricultural machinery construction, the quality of production of which, and the price at which it is offered, does not satisfy the consumer today; this is a structurally critical industry that will have to adapt with difficulty and pain to the real requirements of agricultural workers and learn to produce the equipment that is actually needed and at prices that are acceptable. Of course, this means industries in the military-industrial complex, the proportion of production of civilian products in which must be brought up to 70 percent; this means on the whole investment machine-building industries. Here the tempo of the fall in production will be considerably greater.

We consider, and include this in the forecast, that unfortunately the problems of employment will inevitably worsen. For the time being, despite all the difficult talk about unemployment, it has by no means become a mass phenomenon yet. Today, there are about 170,000 unemployed registered here, to be more precise, people seeking work. We consider that at the end of the year, on the basis of the inevitable intensification of the processes of structural restructuring of the national economy, up to 6 million people may need the support of the employment agencies.

I hope that this figure will turn out to be inflated, for the time being the reaction of enterprises to the problems connected with aggregate demand most likely presupposes not a cut in employment but restraint in income growth.

Well, in order that today, when it is primarily finance and money that have remained in the hands of the state as the main instruments of management, economic policy is budget policy, it is financial policy. And so, resources for the structural maneuver linked with a gradual stabilization of the economy, with a shift in emphasis to the key sectors and with the creation of the prerequisites for improvement, for the establishment of economic growth in 1993, are being incorporated into the budget.

But what, in the first place, has actually happened with our budget over the last two months, and second, what are we proposing to do in the field of budget policy? First, the actual execution of the budget for January and February: You know, I have spoken about this on several occasions, that we believed it extremely important to prevent the emission of a mass of money from the budget precisely during the period when prices were being unfrozen, precisely during the period when the money overhang was being eliminated. It was precisely at that time that any budget deficit, using the budget as a mechanism for unleashing inflationary processes, was extremely dangerous.

It was for this reason that in the first two months we conducted an extremely harsh budget policy. Actually, over January and February R [rubles] 196.6 billion came into budgets at all levels in tax receipts. Of these, R81.7 billion went into the revenues of local budgets, and R114.9 billion went into the revenues of the republican budget. Budget expenditure throughout the system came to R184.4 billion, of which local budget outlays were R68.3 billion and from the republican budget—R116.1 billion. So a consolidated budget over the two months was drawn up with revenues exceeding expenditures by a sum of R12.2 billion. This sum was distributed unequally between the local budgets and the republican budget. The republican budget was drawn up with a deficit of R1.2 billion. Under current expenditure, it turned out to be balanced, and we granted a budget loan of R1.2 billion to cover various urgent revenues [not further specified].

At the same time, the budgets of the regions were drawn up with revenues exceeding outlays by R13.4 billion. In actual fact, the situation is slightly different. The republican budget, by virtue of the fact that the Central Bank had not broken down revenues into those of the republican budget and the local budgets, had been artificially credited with approximately R12 billion in revenues. This took the form of a budget loan taken by the republican budget from the local budgets. So the overall sum by which revenues exceed expenditures in the consolidated budget remains the same, but a deficit of approximately R12 billion appears in the republican budget, while the deficit of local budgets rises to R25 billion.

This effectively amounted to a budget loan for the republican budget granted from the budget for the regions, which we are now paying off from the republican budget. Drawing up an overall macroeconomic judgment of what has happened over barely 5 months, just one thing can be said. No cash has flowed from the budget into the national economy. The budget has not served to accelerate inflationary processes. This was something of extreme importance at the time we were launching the market mechanism, and here I believe we have managed to achieve the goals we set ourselves and which I had the honor of setting out to you. Of course, this is not to say that everything has gone smoothly in executing the budget over the first two months. In fact, the situation has not really been that good at all.

Our most serious problems arose in two areas. The first was revenue from foreign economic activities, and the second value-added tax revenue. On revenue from foreign economic activity, what was shown as budget expenditure and revenue was effectively an internal artificial banking calculation corresponding to accounts between the republican budget, the bank, and exporters and importers for the payment of export tariffs and the buying-back of ruble proceeds. This was not real revenue in the true sense of the word, but rather an accounting operation we had agreed upon with the Central Bank. Unfortunately, because of a disagreement with the Central Bank, we were unable to put this mechanism into operation. Clearly, it could not work without special credit. And as a result, the budget was left out of balance, as it had to be.

For foreign economic activity, we had planned for a budget surplus of R8 billion. In two months, we achieved a surplus of a little over R3 billion, and for the whole of the quarter we expect it to be very close to the forecast amount.

The situation concerning the value-added tax is much more serious. In offering the first-quarter budget for discussion, we pledged certain reserves because time was needed to get the mechanism working. We were then criticized for wasting reserves. Unfortunately, those reserves turned out to be insufficient. For the value-added tax mechanism to start to work about a month and a half was needed. For the first half of January we received practically nothing from that tax—just 1.4 billion. For the second half, the figure went up to 9.1 billion. For the first half of February it was 14 billion. For the second half of February, it was 18 billion. And for the first half of March, it was 20 billion.

Thus, since the second half of February alone, we have reached approximately the level the forecasts had led us to expect. Over these two and a half months, of course, the approximately R10 billion in residue revenues from sales tax and turnover tax at the beginning of January, naturally could not cover all the losses ensuing from the shortfall in value-added tax receipts during the first six weeks the value-added tax was in operation. True, this shortfall was in part exceeded by above-plan receipts of profit tax. We received into the republican budget approximately R11 billion more from the profit tax than we envisaged. Furthermore, these receipts are actual ones: according to the January-February statistics we have received, profits rose at rates higher than forecast. Thus, we are not talking here of an increase of nonexistent revenue into the budget.

At the same time, local budgets obtained substantially more income tax than they expected, following the rapid increase in money incomes: the additional revenue amounted to the order of R6 billion. Nevertheless, all this was naturally insufficient to cover the shortfall in value-added tax receipts, and the requirements for additional expenditure which emerged, which we have not financed, but which nevertheless remain wholly real requirements. As a result, in January and February we were compelled to conduct a policy of harsh budget sequestration [sekvestrirovaniye]—that is, to finance expenditure only within the limits of the revenue actually coming in. Now, when the first stage of price liberalization has come to an end, when it is clear that the money surplus has not yet become a catalyst of hyperinflation, we may allow ourselves a certain relaxation of budget policy.

The possibility for this relaxation follows from the fact that the rates at which prices have been rising have sharply—excessively, as happens in such situations—reduced the volume of the money mass. Now, in place of the sharp excess in the money mass that existed at the end of 1991, a most acute shortage of the money mass has emerged, as of the start of 1992, which has manifested itself in the current payment crisis.

To put it simply, prices rose immeasurably more than the actual money mass. This is a positive process on the whole, because it increases the demand for money and makes it possible to sharply increase the role of money circulating in the economy. At the same time, it compels us to seek ways of increasing the money mass which is essential at least to ensure that the accounting mechanism gets the minimum stimulus necessary to operate. This means that we can now afford to make use of deficit financing, albeit to a modest extent, in order to cover a part of the acutely necessary budget expenditure.

These possibilities do not need to be exaggerated. They are at their most serious in March and in the second quarter, because there is a process of remonetarizing the economy taking place. From the third quarter, we will have to return to very harsh budget policies in order to put a brake on inflationary processes. But for the moment, we have a little room for maneuver. And it is precisely for that reason that we are proposing a set of refinements to budgetary policy, as have actually been set out in the draft-refined budget for the first quarter and the draft annual budget.

So what is it that is being proposed overall? The main source of budget revenue for 1992 will naturally remain the value-added tax. Revenue from it is forecast at R909 billion, and this forms the basic revenue into the republican budget. As far as the profit tax is concerned, we propose to extend a little the range of concessions today allowed on investments and to make capital investment channeled into conversion of military industries tax-free, and overall to reduce the share of this tax being returned to the state to 18.1 percent, against a nominal level of 32 percent. In total, it is intended to derive R382 billion of revenue from this tax.

Revenue from foreign economic activity we intend to show only within a surplus, amounting to R40 billion. Excise duties stipulated for 16 lines of goods should bring us a total of about R131 billion, of which the greater part are of course derived from sales of wines and spirits. All of this makes it possible to create an adequate financial base to finance the most urgently essential, absolutely first-priority lines of spending from the federal and local budgets. Not wishing to dwell on the whole range of listed lines of spending proposed to be financed from the federal budget, I will just run through the key ones among them.

The most serious problems by far are connected with the financing of military spending. The budget provides for expenditure to the tune of R384 billion. This constitutes a large serious weight upon our budget—almost 35 percent of all the spending set out by the republican budget. At the same time, this means a sharp reduction in the real volume of funding compared with what our army received in 1991. As before, the heaviest reductions will continue to be those on arms purchases.

As you remember, in the budget for the first quarter we proposed a sharp, approximately 70 percent reduction in arms spending. In the current annual budget we have tabled, we are proposing, taking account of 1991 prices, reduction in arms spending from R37 billion approximately to R11.2 billion. About half of this will be spent on the army's essential and vital needs. That is what we have agreed with the Supreme Command. This will provide for spare parts, things necessary for the functioning of hardware, for safety control systems and a number of the most important strategic systems. The remaining R6 billion is the money we have earmarked not so much for the needs of the Defense Ministry as for the completion of calculations relating to the types of military goods or defense industry products which have already gone into production and for which we must pay in one way or another to works-producers so as to prevent their bankruptcy. Thus, the R6 billion of the budget will involve not so much defense spending as expenditure inevitably connected with conversion.

Taking account of 1992 prices, the total of R80 billion are to be spent on research and development. We are proposing that, taking account of 1992 prices, R55.3 billion be spent on development and research, so that we could preserve the scale of the main most important projects at the 1991 level, as far as Russia's share is concerned, at least as far as Russian science is concerned.

The expenditure earmarked for upkeep of the armed forces assumes a reduction in manpower of 700,000. In the contemporary situation, we regard these as minimum figures, and in conjunction with the High Command, we will be looking at the matter of making further reductions in the armed forces, because in the present situation, Russia is not in a position to finance or provide upkeep for armed forces on that scale, and no revenue has yet started to come in from other CIS states.

Actually, it has only just very recently started, since we have reached an accord with Belarus, and Belarus has begun financing part of the troops on its territory. And of course, there can be no question of this where Ukraine is concerned—that is a special situation. The military spending envisaged includes expenditure to increase the cash allowance for servicemen to the tune of R12.4 billion, and to increase pay rates for armed forces manual and office workers by R7.1 billion. Within expenditure for capital investment there is to be a sharp increase—up to 80 percent—in spending on construction of housing and social and cultural facilities for servicemen. This is one of the very few articles in the budget where we envisage an absolute increase in spending as compared with 1991.

Naturally, such sharp, radical cuts in spending on defense, on arms purchases, presuppose that serious measures are to be taken to finance the conversion process in the defense complex. The budget provides R40.6 billion for these needs, money which is intended to be channeled as follows: R24.4 billion to finance consumption funds at enterprises subject to in-depth conversion; R11 billion for the upkeep of the infrastructure of those enterprises; and R1.6 billion to cover part of the interest on credits granted to defense enterprises for conversion programs. We propose to retain and to spread over the whole year central bank conversion credits to defense enterprises to the tune of R40 billion, part of the interest on which will be funded through the budget, so that they might be used to finance the most effective conversion schemes.

Work now being done by the Ministry of Industry, the Ministry of Economics, and the Ministry of Finance to pull together schemes of that kind is now being completed, and we will be presenting the bank with a set of schemes which we believe offer the best prospects, which are of the greatest interest. First and foremost, these are schemes which will enable us to restructure our military production industries relatively quickly and promptly so as to cater for all the needs which are most pressing for us today as a result of the lack of foreign currency. This means, firstly, the conversion of defense enterprises to serve the needs of our oil and gas extraction complex and the fuel and power industry as a whole, by replacing imported equipment; then also, the conversion of our defense enterprises to serve the needs of our timber and timber- processing complex; and the conversion of enterprises to meet the needs of the transport complex, and so on.

The financing of the agro-industrial complex is a serious and potentially difficult question. Overall, we intend to allocate about R279 billion in the budget to finance the agro-industrial complex. It is intended to allocate R79.6 billion to finance capital investments. We are fully aware that, unfortunately, this is insufficient to finance all the priority areas of capital investment in the countryside which deserve support. At the same time, this is just about in line with the maximum possibilities of the budget. Almost everything that we are allocating, the overwhelming proportion of what we are allocating, for centralized capitalized investments is going to the agro-industrial complex.

Among additional extra possible sources for increasing expenditure on this financing, the Supreme Supreme could examine the question of reallocating for these needs at least a proportion of the resources of the road fund to finance internal farm roads and also of using some of the centralized land-tax resources in towns and town-type settlements. The government has conveyed an appropriate proposal at the same time and we support this.

At the same time, in analyzing whether this is sufficient or not, I would like to call your attention to the fact that last year the resources allocated to finance the agro-industrial complex were used extremely poorly. And the main reason for this was that last year a completely different ruble was at work. Last year, the allocation of resources did not resolve a single problem. The main thing was to back them up with material resources, capacities, subcontracting organizations, and so on. It was not always possible to tackle precisely this task, and last year it was not possible to resolve it satisfactorily.

Today, in conditions of a very acute shortage of demand for investment goods and services, the money which has been allocated is real money which can be used immediately to finance those projects which are most important and most interesting for the agro-industrial complex.

We are proposing to give help to set up 130,000 peasant farms this year; R23.6 billion is being allocated to attract credit resources to fit them out. In the first instance, this is to back credits granted to farmers. It is proposed to allocate R19.2 billion for operational expenditure. As I have already said, we propose to redistribute part of the land-tax monies.

We propose to maintain the favorable terms for granting credits to enterprises of the agro-industrial complex, and we estimate that this will require about R8.7 billion. Taking account of the need in the new market conditions to support agriculture carried out in an extremely unfavorable situation in mountainous and northern regions, we propose to allocate R14.2 billion for these aims.

Our debts to agriculture are the most serious problem—what the state has taken from agriculture without paying for. Taking account of the price revolution which has taken place, these are today completely different sums than were taken last year. Nonetheless, we consider that these resources must be repaid.

Taking an overview of the problem of financing the state debt, I must report to you that the state debt has been totally transmuted into a civilized form. The appropriate documents have been drawn up, and the state budget envisages resources directed to sevicing this state debt. Overall, this amounts to R51.4 billion, of which the basic payment is, naturally, payments amounting to R31 billion to the savings bank for the credit resources it has attracted.

At the same time, we propose to direct R9.6 billion to compensate for the losses to the owners of special purpose deposits. They paid in R2.4 billion as advance payments for delivery of automobiles. We are directing, for these purposes, R9.6 billion to compensate for their losses.

For now, it is proposed that there will be a sharp reduction in excise rates which will require about R7 billion and a doubling of the size of the deposits which will require R2.4 billion. Moreover, on these deposits, we have made a decision to redeem these checks at the present market cost of an automobile.

The next very acute problem is naturally the harvest 1990 checks. Here the sums laid down in the budget for providing compensation under them figure as two separate items. The first is the R4.4 billion needed to settle up with members of the public themselves for agricultural produce sold in exchange for consumer goods, primarily 30,000 cars. They have been entered under the state debt. The second figure of R10 billion is debts not owed to the public. That is why they are not reflected in the state debt. They are debts owed to agricultural enterprises for supplies of agricultural produce in exchange for equipment. That R10 billion also figures here. Overall, we propose to give back the R14.4 billion to agriculture which we owe from last year.

Financing of the social and cultural sphere. Overall, it is proposed to earmark R501 billion for the financing of the social and cultural sphere. This includes compensatory payments of child benefits to families with children below majority age. These are set at R42.4 billion. This includes compensatory payments for the acquisition of schoolwear, forecast at (?R157) billion in the third quarter. Provision is made for additional allocations of R1.5 billion for additional February-March payments. In connection with the rise in prices, it is proposed to earmark R7.2 billion for student grants and compensation for catering costs for schoolchildren and students of vocational technical colleges and technical schools. The grant fund is being set at R15.7 billion. Apart from that, account has been taken of additional allocations of R7.2 billion, including R2.0 billion for the second quarter, for assistance to needy students, the organization of large-scale cultural and health measures, treatment for students at sanatoria and resorts, provision of holidays for students, payment of allowances for students on practical training, and so on.

Of the total amount of spending on the social and cultural sphere in 1992, it is proposed to channel R225 billion into the financing of educational institutions. This will provide teaching for 3,500,000 students, 20,800,000 pupils in general education schools, and 3,400,000 children in children's pre-school establishments.

It is planned to allocate R46.7 billion to finance cultural and mass media institutions. Of this, R23 billion is to maintain cultural and educational establishments and the arts, and R23 billion is to maintain the mass media. Of that, R18.6 billion is for television and radio and R4.4 billion for the periodical press.

It is planned to allocate R153.1 billion in the current budget to provide for the needs of health service enterprises, including R18.9 billion to maintain residential homes for the elderly and the disabled and other social services.

Overall, without dwelling in detail on the list of all the articles in the budget that deal with expenditure, I should like to say that the budget for 1992 remains extremely strict on this side too.

Of course, in virtually no areas can we permit ourselves to increase allocations, compared to the base. We are compelled to reduce them, in accordance with the volume of real output, the objective foundation for all social payments, which has declined objectively and has already fallen, as I have had the honor to note. At the same time, we consider it possible to increase the deficit in the consolidated budget to R245 billion or, with the changed level of prices, to 3.6 percent of the gross national product. That is what is contained in the budget for 1992, which has been presented for your consideration.

We assume that we will be compelled to make amendments to this budget as a result of day-to-day changes in economic policy. The principal and most important of these is, naturally, connected with the forthcoming inevitable restructuring of the prices of fuel and power. We assume that this will simultaneously enable us to mobilize additional budget revenue and, of course, lead to the need to finance some expenditure: in particular, some expenditure to compensate for the increased cost of fuel in agriculture. We might have to allocate subsidies to finance part of the increased cost in civil aviation, so that it does not grind to a complete halt; we will have to redistribute some subsidies from fuel and coal producers to housing and public utilities, for which we have today earmarked R26 billion, and so on. But this is a question which can be discussed after a final decision has been adopted on the strategy for unfreezing the prices of fuel and power.

My time is up, esteemed comrades. Thank you for listening.

Gaydar on Realistic Budget Forecasts

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[Remarks on Russian Federation Supreme Soviet budget debate by Yegor Gaydar, Russian Federation deputy prime minister for economic affairs, to the Supreme Soviet in Moscow on 27 March—recorded]

[Text] Esteemed People's Deputies! Naturally, in my concluding words I shall not attempt to reply to all the questions that have been put. A number of them are absolutely legitimate. If the government had the opportunity, it would be happy to try to meet all the justified requests of the social groups that think they deserve better. Regrettably, the government does not yet have such an opportunity in the framework of the resources available to it. There has been talk here, and rightly so, to the effect that the government does not have any money. It is the Supreme Soviet that has tax money at its disposal. The government cannot impose taxes. The government cannot assign and spend funds without a decision by the Supreme Soviet.

For that reason, we can submit proposals to you, and we will implement the policy you adopt. But let us agree that this policy has to be an integrated policy. Then it has to be a responsible policy, because I am ready to accept anything. But when it is suggested...[changes thought] I can even accept a policy where it is proposed to reduce taxes and increase expenditures—it's just a dream, isn't it? We would be deliberately opting for acceleration of inflation. But when it is proposed to reduce taxes, increase expenditure and simultaneously reduce the budget deficit, this means pushing the government into the lying it engaged in for years. This then means that the government simply takes upon itself to conceal things, not show them. Then it will come out in the Central Bank's credits. Then everyone will look clean. You've increased incomes, reduced taxes, increased expenditure and so there's no deficit. Nobody is responsible for the fact that later there is inflation, and a deficit, that the economy falls to pieces and the ruble doesn't work. It is as if the ruble fails of its own accord.

So let's agree that if we are going to conduct a different policy, we must conduct the policy honestly.

That's the first thing. Second, some doubts have been expressed here about the figures quoted by the government. First, concerning excises. I have to tell you that according to our data, our forecasts, concerning the 7.4 billion that was included in the budget, we expect overall to gain something on the order of 11.2 to 11.3 billion rubles over three months. This is a forecast, of course, but even according to the actual implementation in January-February, it is clear that this will at least not be less that the planned sum. That is the first thing.

Second, about the 92 billion rubles that it is proposed to put toward unfreezing deposits from the state budget. There is absolutely no need to do so, because the budget has no need to back up the resources of the savings bank to this extent. There is no need to transfer 92 billion rubles from the budget to the savings bank in order to service expenditures connected with the unfreezing of these deposits. Meanwhile, it was necessary to put into order relations with the savings bank because of the state debt, as was done in the budget—31 billion rubles were included in this for all deposits, not only those that had just been frozen.

Next, concerning special purpose vouchers [tselevoy chek]. The fact of the matter is that as expenditure on vouchers, they were not included in this total for one simple reason. So far we have had for a month the situation whereby one can exchange 8,000 rubles in vouchers for 120,000 rubles in current funds. So far, the set of people to have taken advantage of this permission has been very limited. As a rule, people prefer to wait and get a car.

Concerning the forecasts included in the budget: Of course, there is one very simple path to really falsifying the budget. This is to include completely unrealistic rates for growth of public sector production.

Assume it's not going to stay at the autumn level, but suddenly, for some reason, amid the disorganization of the national economy, it decides to go up by, say, ten percent. Then we shall be able to lower taxes, increase spending, and there won't be a deficit. The trouble is that in practice we're not going to get anything of the kind. And I'm much more inclined to agree with Pochinok, whom I greatly respect, that the figure for the rate of decline of production built into the forecast is, if anything, optimistic, and it will most likely be a little higher. If I was an independent observer, I would also prefer a more modest figure, but I am responsible for the work of the government and the government must make every effort to remain within these limits. But I just can't agree that in our forecast we should reckon on some sort of excellent high figures for growth in production volumes.

There's another thing: There was, of course, a time when the budget was devised to conform with the plan. That is, a national economic plan was compiled, and then all the measures provided in it, irrespective of the degree to which they had been thought through from the financial point of view, were given budget financing. We have now abandoned this, because we have abandoned traditional command planning. So, at least, let's not return to it now. Clearly, the forecast and budget must interact with each other. Clearly, they must be devised with due regard for each other, but not in the sense that the budget simply takes and enables everything that's been planned. This is especially true today when there is a forecast instead of a plan.

On the whole, I believe, if I may be allowed to express my view, that the decision that has been submitted for discussion by the Supreme Soviet is a balanced one. We are perfectly well aware ourselves of the vulnerability of a budget that is adopted without taking into account substantial price adjustments. We were pressed for time and had to submit the budget on 10 March. We did indeed submit it. Our only request would be for a clear statement to be made on how we are now to finance the distribution of revenue and spending in the regions, between the republican budgets and local budgets, so that we can ensure that we will live in the framework of the law as far as the budget is concerned, whereby value-added tax goes fully into the republican budget and the profit tax goes to the territories. Or we can adopt some other way, but we have to declare ourselves now.

The second thing is to submit the budget when the question of the rate and strategy of the liberalization of the price of energy resources has been fully determined. Thank you for your attention.

Pochinok on 'Deliberately Distorted' Budget

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[Speech by Aleksandr Petrovich Pochinok, chairman of the Commission for the Budget, Plans, Taxes and Prices]

[Text] Greatly esteemed Peoples' Deputies:

In accordance with the RSFSR law on the bases of the budget structure and the budget process in the Russian Federation, the budget message of the president of Russia has been presented to the Supreme Soviet of the Russian Federation.

Committees and commissions of the Russian Supreme Soviet have examined the budget message. There are decisions and responses from all the committees and commissions. There was a parliamentary hearing. There are reactions from groups of experts. On the basis of this, one may draw the following conclusions:

The president has presented the draft state budget of the Russian Federation for 1992, the draft alterations to the state budget for 1992, the report on the implementation of the state budget for 1990, and information on the course of the implementation of the budget for 1991 and also forecast assessments on the development of the economy of Russia in 1992.

The budget message has been presented in full, apart from the budgets of the territories of the Russian Federation. We consider it necessary to note the timeliness and relative completeness of the documents which have been presented. At the same time, the documents of the given budget message, just like the analogous materials presented to the Russian Supreme Soviet, do not contain the necessary explantions on key questions, to be precise the raising of prices on energy providers, the indexation of incomes, social policy, the budgets of the territories, the interaction between the territories' budgets with the republican budget and so on.

The data contained in various documents contradict each other, are not comparable, and at times are deliberately distorted. This concerns, for example, the data on the value-added tax, the volumes of capital investment, taxes on operations involving securities and so on. The summary table of the definitive consolidated budget of the Russian Federation has been presented in an incomplete form. It contains quite a lot of inexactitudes, misprints, and distortions. The summary table on the course of the implementation of the republican budget has not been put in at all, although the Supreme Soviet should monitor precisely the implementation of the republican budget and check that it is in accordance with the law.

Evidently, the Supreme Soviet should most strictly demand the presentation of the documents of the budget message in the appropriate form. And what is essential here? Data on the course of the implementation of the budget article by article, for the republican budget, and for the consolidated budget. There is a need for separate information on the interaction between the republican and local budgets, on measures to preserve the unity of the budgetary system of the Russian Federation. That is now the key problem.

We need a realistic forecast of the implementation of the budget, taking account of the trends which have appeared in the January-March period. We need data and information on the changes in budgetary policy in connection with the raising of prices on energy providers and the implementaion of other measures envisaged in the government's memorandum. As you may recall, the government memorandum contained a whole range of measures, we must look at how they will be reflected in the budget. They have not yet been reflected there.

It is necessary to divide the expenditure part into a current expenditure budget and a development budget, since it sets in motion a clear sequestration mechanism, with protected articles and the parameters of the sequestration mechanism itself given precisely as separate parts. Unfortunately, if the Supreme Soviet continues to accept as right the present practice whereby the government presents budget documents, it will deprive itself of the function of approving the budget and monitoring its execution.

The committees and commissions have proposed approving the report on the execution of the 1990 budget. It is complete enough and of sufficiently high quality and contains all the necessary analytical material. You have a short summary of that enormous report—do read it. We have no complaints about it.

You can also take note of the information on execution of the 1991 budget. Work is still being done there. As you know, the deadline for the handover of the 1991 report is the middle of May. Work will be continued in order to finish it on schedule this May, by drawing in specialists from our Supreme Soviet's budgetary control committee, which has just been established.

On the forecasts section: The forecast assessments of the basic indices of the socioeconomic development of Russia have elaborated in accordance with the law. At the same time, we are obliged to note that the forecast assessments presented by the government show that the government lacks a clear program of action and is in effect only recording the fall in social production. No measures are being planned to overcome it. No measures are planned to stimulate growth in volumes of production of output. The assessments given by the government of the rate of the development of the economy, it seems, are over-optimistic. The results of the calculations which we have managed to carry out showed that one can expect a considerably greater reduction in the gross national product. The figures have been distributed to you.

Also, almost all the ratios will clearly be much more pessimistic. The documents' forecasts which were made taking price increases into account also give rise to fears.

The price increase to be taken into account for January was estimated at an average of 3.5 times. However, in effect, in January and February, the State Statistics Committee figures stated that the prices were 4.8 times. In March, prices are increasing by one percent per day according to the State Statistics Committee.

The government takes the credit for curbing the level of hyperinflation. But this is not so. The rates of increase in inflation under this government are much higher than under the previous one.

Moreover, the government itself constantly provokes inflation by its actions and, what is more, by the ill-considered statements of certain ministers. On no account should price increases be discussed two months before they are actually introduced. Inflationary expectations must not be aroused as they constantly are.

The government is clearly underestimating the negative effect of the scale of the production slump. Given a swollen relative proportion of Group A goods [producer goods as opposd to Group B, consumer goods] in the national economy and a colossal growth in the level of non-payments—the growth of which has now of late been R [rubles] 15-20 billion per day, with the total of non- payments having approached R750 billion—experts believe that there is a growing danger of a wholesale disruption of links in the economy and a paralysis of it. Immediate and very urgent steps are needed to eliminate this situation.

There has been a significant drop in production in virtually all spheres. You have the figures. Government estimates in the sphere of investment seem manifestly overstated. The total sum of investments from all sources of finance should be R120 billion. At the same time, the sources actually available to enterprises will allow investment to be financed to the tune of something like R50 billion at last year's prices. Meanwhile, the Russian Federation's draft budget, which has been handed out to you, makes provision for a total R221 billion of state investments, which means R50.1 billion with a price increase factor of 4.4.

Let me remind you that in the first quarter the price increase factor has already been much higher. According to many experts, the real price increase factor is 10-12 times. There is information of 50-fold increases in prices. Those are manifestly excessive prices. At least 10- or 12-fold increases are being demanded everywhere. An astonishing situation emerges whereby the level of price increases in the first and second quarters is given as plainly higher than for the year as a whole. Thus, the real result is that the total amount of investment can at best be 50 percent of the 1991 level, while the actual volume of centralized investments according to Ministry of Finance figures will be R19 billion at 1991 prices. That is half of the forecast for 1992, and less by a factor of 3.8 than the 1991 level.

This means making a rapid structural overhaul of the economy impossible, disrupting reproduction processes completely and bringing the capital construction industries to a state that is close to destruction. Increased production of necessary goods is not being stimulated: the government's harsh, unstable policy, especially its tax policy, has killed incentives to invest. State and private capital have no interest in long-term programs. These calculations demonstrate how questionable the forecasts for the development of sectors of the economy are, especially for those reliant on investment. The situation is the same in the social sphere. The forecasts for the commissioning of residential buildings, children's establishments, schools, hospitals and so on are patently ill-founded.

The main shortcomings in the forecast, which will have to be removed the next time the budget is presented, are: It does not reflect the connection between volume of output and price and tax policy; there is no link between goods and cost; the list of industries is inadequate; there is no assessment of the dynamics and effectiveness of reproduction processes. We believe that the forecasts need to be revised radically, taking account of the observations which we have made.

At the parliamentary hearings, it was pointed out especially that there is great doubt about the ideology of the budget forecast. The main aim was to achieve a deficit-free budget. For that purpose everything was put at risk—the problems of individual industries, political stability, regional problems, the army's problems, the population's standard of living—everything. However, the very same budget of the Russian Federation, which was presented by the government as deficit-free—you will remember that reducing the budget deficit to zero was stated in the memorandum as one of the main aims of current economic policy—is not deficit-free at all.

Analysis of the budget message for the second quarter of 1992 permits us to say that the budgetary policy has failed totally and that the government has no idea of the changes that need to be made to that policy. The revenue policy has failed. Taxes collected will not even reach 45 percent of the figure claimed in the law. If we ignore the revenue and expenditure resulting from foreign economic activity, no more than 80 percent of the planned amounts will be obtained. However, we cannot ignore that revenue and expenditure, because you can imagine what a great influence foreign currency receipts have today on the country's domestic budget—I am constantly confronted by it. The causes of the situation are the obvious failure to make sufficient allowance for the consequences of the slump in production, technical problems with the introduction of the value-added tax and the total failure of the policy of state regulation of foreign economic activity.

The artificial underestimation of expenditure on the majority of items was concealed. This concerned sociocultural expenditure, subsidies, grants-in-aid to local budgets, and so on. It should be taken into account that the sum of resources being transferred from the budget to the Russian Federation pension fund does not tally. And how this pension fund is to be financed in the conditions of the latest presidential decree on raising minimum pensions to R650 is totally beyond comprehension.

The policy of dumping the overwhelming part of sociocultural expenditure and subsidies onto the local budgets, the irregularities in the relationship between the republican and local budgets, and the republican government's at times plain fraud against the local authorities have already led to the beginning of tax wars between budgets at different levels. The contributions set by law from the tax on profits have started not to be paid into the republican budget. The norms for contributions from the value-added tax of territories' budgets were set only on 17 March, by government resolution No. 169, and were not in accordance with the protocol signed earlier. Oblasts and territories have expressed their extreme indignation at Russia's budget policy.

The unworkability of the ideology of a budget deficit faced with the realities of today's state of the economy has made itself clear. The budget deficit continues to be very considerable: from 29 percent—the most optimistic variant—to 40 percent of the total expenditure of the republican budget. We must take a look at the actual implementation for the quarter. It is financed virtually entirely by the printing of money. Plans for issue of a state loan on advantageous terms continue to be no more than good intentions. Both the Ministry of Finances and the Central Bank of Russia are to blame here. The statistics reflect a pronounced expansion in money terms in the Russian market on the part of former Union republics. A considerable positive balance has been recorded for Russia in inter-republican trade. There is doubt about the possibility of restraining the growth in money supply on Russia's territory without the corresponding inter-republican accords.

The situation has also been exacerbated by the absence of a considered social policy. The new wage-rate agreement alone, which we did not envisage in the first quarter's budget, will cost R84.7 billion. The latest trips by the vice premier have led to pay increases for miners and oilfield workers of up to R20,000-50,000 a month. Under the existing norms for wages, virtually the whole wages fund will be totalled together with profits and be taxed at a rate of 32 percent. The decisions adopted merely provide a postponement, and will lead to new problems. The miners themselves have not yet sensed the insidiousness of the solution—the fact is that under the existing progressive scale for taxation of individuals, they will be giving up 20 percent of their pay in taxes in a month's time, 30 percent in two months' time, and it will reach 60 percent in six months and beyond.

You will remember that the tax is being levied on a running total basis. This will plainly spark a new explosion. There are the same problems with trawler men and some other categories of citizens. It is evidently necessary now to make changes and to return to the taxation policy proposed earlier. It is necessary either to extend tax allowances to conversion enterprises or to introduce as urgently as possible an income tax on enterprises instead of a profits tax. Not just reinvestments but all direct investments need to be exempted from taxation. It is necessary to restrict progressive personal tax scales to 30 percent. The possibilities of changing the value-added tax rate should be examined, with the rider that if this is done the change should be coordinated with the CIS members.

It will now be sensible to make changes to the first quarter's budget inasmuch as we need to close the first quarter. These changes have been submitted to you in the form of the relevant draft law. But we simply must not at this point adopt the state budget for 1992 and the second quarter.

An analysis of the budget reveals the following: The change in the volume of financing in the social sphere is completely incomprehensible. I can cite just a few examples. Spending on vocational technical colleges, schools, higher educational establishments and so on does not take into account possible price increases. For the vocational technical colleges there is a cut of more than a half, and for schools and higher educational establishments there is an increase of something like 20 to 30 percent.

I must remind you that price increases are now running at one percent a day. If the prices of energy resources change, you can imagine what sort of predicament we will be in. The official salary of an academician of world renown is already some one-tenth to one-twentieth of a miner's pay. Another point about the situation is the complete vagueness on the territorial provisions of the budget. A one hundred-percent provision of financial resources to the regions is assumed as axiomatic. At the same time, unprecedented changes in obligations are under way in the direction of the regions. Enormous social spending has been transferred to the regions. The budget surplus of the regions is an illusory one. The point is that the regions have no possibility of making investments given the existing budget quotas. The budgets of certain regions are less than one-third funded. The regions have been forced to act as petitioners compelled to plead for subventions and subsidies. This sort of policy is increasing isolationist, separatist and nationalist tendencies, and, in a broader context, is leading to the disintegration of the Russian Federation. This policy has in large measure strengthened the desire of individual republics and oblasts for more independence, regionalization and secession. The expected revenue base of the budget is being underestimated. There are calculations showing that this base is being underestimated by hundreds of thousands of millions of rubles in order to create an illusion of better budget implementation.

It is necessary to make changes to investment policy. An analysis is needed of the outlay on the upkeep of the government apparatus. Under the new structures alone expenditure is due to be about 130 millions. Quite incomprehensible structures such as the committee to protect the economic interests of the Russian Federation are emerging. The formation of these structures is taking place without the transfer to them of the expenditure and functions and powers from the existing ministries and department. That is to say, the estimates of the existing ministries and departments are not decreasing and the expenditure on the new structures is increasing.

There is disorder in pay in the Armed Forces, the Ministry of Internal Affairs, the Federal Security Agency and law enforcement bodies. The government's actions have led to pay increases for certain leaders of these ministries and departments in excess of the ratio set by the Supreme Soviet.

The president and the government very frequently exceed the limits of their powers in the budgetary sphere. The consequences of the president's decrees are not analyzed and are not properly reflected in the budgetary message.

There is a need for a thorough analysis of social policy, inasmuch as there is no certainty of the possibility of financing and implementing the targeted social programs guaranteeing a minimum living standard for each citizen in the Russian Federation.

On the basis of the aforementioned it is proposed that a resolution on the carrying out of the 1990 budget be adopted—you have it in your possession; that a resolution be adopted on the clarifying of the budget for the first quarter of 1992—which you also have; and that a resolution be adopted on this law and the Russian Federation's annual budget be sent to the government to be further finalized with a view to it being returned again for your consideration within the time period indicated in the resolution.

Foreign Trade Bank Given Rights To Sell Gold

OW3003191392 Moscow INTERFAX in English 1849 GMT 30 Mar 92

[From the 31 March "Business Report"; transmitted via KYODO]

[Text] On Monday [30 March] the Presidium of the Supreme Soviet of Russia passed a resolution granting the Foreign Trade Bank of the Russian Federation (Vneshtorgbank) exclusive rights to sell gold and precious metals on the foreign market on the instructions both of the Russian Government and the Central Bank.

Under the terms of the resolution Vneshtorgbank also becomes the state's agent for attracting foreign credits for the purpose of implementing investment projects under backed guarantees from the Government and the Central Bank of Russia.

The parliamentary resolution states that all investment projects will be considered by the government's Currency and Economic Council, or by another body authorized by this Council.

The Vneshtorgbank will also service the Russian Federation's currency reserve and the Central Bank's stabilization currency fund.

Regional Affairs

Chechen Opposition Seizes TV, Radio Station

LD3103092192 Moscow ITAR-TASS in English 0913 GMT 31 Mar 92

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy March 31 TASS—Forces in opposition to President Dzhakhar Dudayev and the present parliament of the Chechen Republic captured the television and radio center in Groznyy this morning. The assault was accompanied by automatic gun fire but no casualties or injures have been reported.

According to unconfirmed data, the opposition was supported by some units of Afghan war veterans mobilised by Dudayev himself. Regular army forces are not involved. The police has remained neutral as well. The acting interior minister of the Chechen Republic Said-Akhmed Udiyev told ITAR-TASS that his department would seek to maintain public order as best it can but will not interfere with the political struggle.

Crowds of people have gathered in central Groznyy and the traffic is blocked. The national guard loyal to the president is stepping up security measures around the government buildings. Military machinery and armoured vehicles have been brought in.

Neither the official authorities nor the opposition have made any statements. According to sources close to the opposition, it will press for Dudayev's resignation, the dissolution of the parliament and the organisation of new general elections after a referendum which is expected to provide an answer to the question whether the republic needs a president and whether it should remain within the Russian Federation.

Deputies Revoke Sobchak Decisions on Committees

LD3103042992 Moscow Mayak Radio Network in Russian 2130 GMT 30 Mar 92

[Text] A session of the St. Petersburg Soviet has revoked a number of directives from Anatoliy Sobchak. On 30 March deputies at the St. Petersburg Soviet confirmed their 27 March decision to revoke the mayor's instructions which grant committees from the mayor's office the rights of a juridical person and the right to make deals concerning municipal property.

Under the decision of the city soviet, the mayor's office committees must transfer their quotas and dividends in various joint-stock companies to the city's property fund. Moreover, the mayor must propose to deputies a new structure for managing the city's enterprises. The session was guided by the Law on Kray and Oblast Soviets and the Law on Local Self-Government in making its decision.

City Council Calls for Sobchak Resignation

OW3003215192 Moscow INTERFAX in English 1907 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] The city council of St. Petersburg has asked Mayor Anatoliy Sobchak to step down. In a special resolution approved by a qualified majority vote the council asked the council's committee on legislation to draw up a list of the mayor's violations of the constitution and Russian laws, as well as of acts of the Russian president and government. The list will be submitted to President Yeltsin.

The St. Petersburg City Council issued a statement saying that, the Mayor's status implied that Sobchak was a member of the Russian leadership and that it was "impermissible to be a member of the leadership and resist its policies at the same time".

The city council described Sobchak as a "major politician, having internal conservatism with a socialist tinge" and asked him to make up his mind to join the opposition to Russia's current authorities.

Tatarstan Movement Supports Federation Treaty

OW3003163392 Moscow INTERFAX in English 1514 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] The "Citizens of the Russian Federation" movement in Tatarstan feels that the results of the March 21 referendum should not be used to determine future relations between Tatarstan and Russia, supporters of the movement said at a meeting in Kazan. They believe that Tatarstan's participation in the Federative Treaty is necessary if a bilateral agreement is to be signed by the two republics.

Delegates to the meeting of Russian citizens in Moscow April 5 were chosen at the meeting. The Tatarstan delegation includes representatives from six different cities in the republic.

The chairman of the movement Aleksandr Salagayev was told to appeal to the Russian Government to ensure strict observance of the Constitution and Russian Federation laws on Tatar territory, and defend civil rights.

Milli-Majlis Proclaimed Representative Body

OW2903145392 Moscow INTERFAX in English 1332 GMT 29 Mar 92

[Transmitted via KYODO]

[Text] Tatarstan's Milli-Majlis (National Congress) held a session yesterday at which it passed legislation on its activity. The Milli-Majlis itself was proclaimed the supreme representative body of the Tatar people vested with legislative powers. It vested itself with powers to repeal any laws or decisions passed by the Supreme Soviet or the Cabinet of Ministers of Tatarstan which contradicted the declaration of national sovereignty or the interests of the Tatar people.

In case the Supreme Soviet violated the sovereignty declaration or proved unable to exercise its powers, the Milli-Medjlis would take over as the republic's supreme legislative body.

The Milli-Majlis intends to take part in the drafting of Tatarstan's budget, to handle some of the work in the transfer of enterprises, including military ones, to Tatarstan's jurisdiction, and exercise control of armed forces stationed on the republic's territory.

Expressing its attitude to the results of the recent referendum, the Milli-Majlis emphasized that Tatarstan did not form part of any other state and would take its own decisions on all issues.

Milli-Majlis deputies will be given the status of Supreme Soviet deputy and cannot be prosecuted without the consent of the Milli-Majlis.

'No Victors' in Tatarstan Referendum Seen

PM3003133092 Moscow ROSSIYSKAYA GAZETA in Russian 27 Mar 92 First Edition p 2

[Dmitriy Mikhaylin report, incorporating interview with Tatar Republic Supreme Soviet Deputy Murat Sirazin—place and date of interview not given: "No Victors in This Victory"]

[Text] Kazan—Today in Kazan the main subject of debate is the fact that most of the city's inhabitants voted "against" in the referendum. Similar results were returned in almost all the other cities and many rayons in the republic. The republic leadership was not surprised by the results, at least outwardly. President M. Shaymiyev explained the results by the fear among collectives of major enterprises of breaking economic links with suppliers. But the local branch of the Democratic Party of Russia adopted an appeal to the Russian Congress of People's Deputies, Supreme Soviet, and President and to Kazan City Soviet proposing that "the territory of Kazan city be proclaimed a district [okrug] under direct federal jurisdiction." It is possible that this question will be examined at the Kazan City Soviet session now under preparation.

Information about the upcoming 28 March session of the Milli-Majlis (national parliament) is worrying citizens. According to certain sources, the question of lack of confidence in the republic leadership will be discussed at it. Apparently because at a recent news conference the Tatar president firmly stated that he had no desire to set up a national state. Marat Mulyukov, leader of the Tatar Social Center, the moderate wing of the national movement, is also dissatisfied with the president. He called for Mintimer Shaymiyev to resign. However, local national-patriots welcomed the president's announcement that he will not sign the Federal Treaty in any form or on any terms. As Mintimer Shaymiyev said: "We will build our relations with a renewed Russian Federation on the basis of an equal treaty on the demarcation of powers." Moreover, these powers, in the president's view, should be delegated from below. He repeated his statement that Tatarstan is not seceding from Russia. Admittedly he added that "it never joined Russia either..."

The "so-called democrats" were also chastised—according to Mintimer Shaymiyev, they inflamed interethnic grievances with their leaflets calling for a "yes" vote.

Russian Federation Supreme Soviet Deputy Vladimir Morokin, who was present in the hall, was accused of inflaming nationalist grievances and "hostility toward the people of Tatarstan." The president remained silent when Morokin was hissed and given the slow handclap by the "ordinary members of the national movement" who are invariably present at such events.

Incidentally, a word on the national movement. At a Tatarstan Social Center news conference which also took place, it was declared that the nationals will be seeking the recall of Russian people's deputies from Tatarstan and new elections of the local Supreme Soviet, as it allegedly does not reflect the real political situation.

Flera Zaynullina, executive secretary of "Ittifak," the Tatar Party of National Independence, stated that all the party's efforts will now be put into the economy. The main aim is the nationalization of all republic property, including joint-stock companies and private enterprises. In her view, the most important thing is to transfer the law enforcement organs and the prosecutor's office to Tatarstan's jurisdiction.

The fate of republic Prosecutor Oleg Antonov, who, as ROSSIYSKAYA GAZETA has already reported, sent an official statement to electoral commissions on the eve of the referendum on the impossibility of holding the referendum in the light of the Constitutional Court decision, is not yet clear. President M. Shaymiyev believes he "must act according to his conscience...."

These and other facts are forcing the republic's inhabitants to think and to debate.

I asked Murat Sirazin, deputy in the Tatar Republic Supreme Soviet, to share his thoughts on the referendum results.

[Mikhaylin] How do you evaluate the referendum's results?

[Sirazin] Even before it took place I said that the referendum was premature. Now it has produced no victors. There could be none. If the nationalists consider it a victory for them to have split the republic's people, then so be it. But to this day I cannot understand why we wasted millions organizing this referendum. Was it to create difficulties for ourselves so that we could heroically overcome them?

But in my view, our chief difficulty lies in the split in the republic's people. There is a dividing line between people within labor collectives, soviets, and even families. And it is not just a matter of nationality.

[Mikhaylin] You said that there were no victors in this referendum. But was there any kind of result?

[Sirazin] In my view, the only result was the lack of result. Today, just like one month ago, nobody can answer for sure the question of whether or not we are part of Russia, and whether or not we will sign the Federal Treaty. Our president, I believe, is acting highly improperly in saying that we are not raising the question of seceding from Russia, but that we will not sign the Federal Treaty either. Previously, he said otherwise. It turns out that the republic leadership has deceived the people...And it really is a bit strange—how can you "renew the Federation" without joining it?

Naturally, we cannot ignore the referendum's official results. It happened. Likewise, I think Russia's politicians will be forced to take account of the referendum results too....

[Mikhaylin] What can be expected and what should be demanded of the leadership of Tatarstan and Russia?

[Sirazin] Perhaps my answer will appear banal, but right now we need a policy of compromise. On the part of Shaymiyev as well as Yeltsin. But I fear the situation has reached an impasse. Yeltsin is in a difficult position. Even if he sees other ways of resolving the conflict, he is forced to honor the resolutions of the Constitutional Court and Supreme Soviet. Naturally, he is now being reminded of his frank statements on the breakup of the Union and his promises to grant extensive rights to former autonomous formations. Pro-Communist and chauvinist forces are trying to use the referendum in the fight against Yeltsin.

The Tatarstan leadership's situation is also far from stable. They issued an explanation of the question worded in such a way as to radically alter its sense. And now they have to get out of this situation somehow: either by explaining to people that they have been deceived, or by taking actual steps which will prove our leadership's desire to be part of the Russian Federation.

Unless Yeltsin and Shaymiyev compromise, it will be like a bullfight where the one with the greatest bulk and longest horns wins. But as we know, it is the people who suffer when the bosses fight....

[Mikhaylin] In your view, is the current republic leadership a guarantor of stability?

[Sirazin] Shaymiyev calls himself a centrist, but in my view he can no longer be a guarantor of stability. By no means everything depends on him.

I talked, for example, with deputies from the Chechen congress. Dudayev and his team neutralized their political opponents only to find fresh opposition in the form of a large section of the people. Socioeconomic conditions in the republic's existence—the lack of goods and rubles, rampant crime, and much more—force the people to doubt the professionalism of their leadership. This is also possible in our case.

The fairly strong democratic opposition which does actually exist cannot be written off. Even the national-radicals are starting to look askance at the president. Right now they need somebody else who will implement more radical ideas.

[Mikhaylin] Many official Russian leadership documents and other materials often contain accusations of separatism addressed at the Tatarstan leadership. Do you agree with them, and why do you think such separatist tendencies are emerging now, and not only in our republic?

[Sirazin] Had Tatarstan and Russia been basically capitalist states where the economy played the chief role, then all this national-separatism would have little significance. But given that, thanks to the Supreme Soviet, Tatarstan will celebrate the anniversary of the Great October Socialist Revolution next November...this process is terrifying. Right now the chief role is played by arrogance and fear for one's position, not the actual economic situation. And it is not only the Tatarstan authorities who want to set up on their own, but also the authorities of other regions, not necessarily even ethnic regions. Everybody wants to hang on to his own little island of pseudo-Communism....

Kemerovo Miners Launch Strike Over Wages

LD3003165392 Moscow Russian Television Network in Russian 1600 GMT 30 Mar 92

[From the "Vesti" newscast]

[Text] Our Kemerovo correspondent reports that miners at the Hevyakov mine began an indefinite strike in Mezhdurechensk today. Their reason is the impossibility of getting paid. In July 1989 the first strike of Kuzbass miners began here.

Media Ignore 'Thousands-Strong' Moscow Protest

PM3003205392 Moscow SOVETSKAYA ROSSIYA in Russian 31 Mar 92 p 2

[Report by D. Gerasimov: "Protest Rally"]

[Text] The mass media and above all television, while reporting last Sunday [29 March] to millions of readers and viewers the ultimatum of Moldovan President M. Snegur, which essentially signifies the outbreak of war against Russians in the Dnestr region, did not mention a word about the thousands-strong protest rally by the capital's patriotic forces.

Yet on the same Sunday at around midday patriots picketed Moldova's permanent mission in Moscow. Kuznetskiy Bridge could not accommodate all those assembled in support of their fellow countrymen, whom the Russian authorities have cast to the mercy of fate.

International Affairs

Republic Reportedly To Leave CIS for EC

AU2703111392 Paris AFP in English 1056 GMT 27 Mar 92

[Text] Paris, March 27 (AFP)—Ukraine sees little future for itself within the Commonwealth of Independent States (CIS) and is basing its hopes on eventually joining the European Community (EC), an economic adviser to Ukraine, Lionel Stoleru said here Friday [27 March]. Stoleru, a former minister under French Prime Minister Michael Rocard, was recently appointed to be an adviser to Ukrainian President Leonid Kravchuk.

"Ukraine does not see, and has never seen, its future as lying within the CIS but inside the EC," he said in an interview published by the TRIBUNE DE L'EXPANSION newspaper here.

"The whole of its economic programme is orientated towards leaving Russia, to cutting the links, including the link of the currency, without cutting trade," he said.

One of his responsibilities was to "re-establish the flow of trade with the ruble zone, with the five countries in central Europe, with the EC and with the rest of the world".

Stoleru said that once a national currency, to be called the hryvnya, had been created, Ukraine would have to establish "a real central bank". He said: "I have proposed that a link be made between the hryvnya and the ECU."

Ukraine Opposes Joint Intelligence Services

OW2703153592 Moscow INTERFAX in English 1425 GMT 27 Mar 92

[Transmitted via KYODO]

[Text] Valeriy Oleynik, press-secretary of the chairman of the Ukrainian security service, expressed surprise at the statement made by press secretary of the Russian intelligence service Tatyana Samolis at a briefing on Wednesday [25 March] to the effect that in April an agreement on the basic principles of cooperation between the CIS intelligence services is expected to be signed in Alma-Ata.

Valeriy Oleynik said that Ukraine did not have and is not having any consultations on the Alma-Ata meeting. The Ukrainian security service, said Valeriy Oleynik, supports the idea of concluding bilateral agreements in this specific sphere which should be based on the sides' national interests.

Trade, Economic Deal Signed With Chechnya

PM2703161792 Moscow ROSSIYSKAYA GAZETA in Russian 26 Mar 92 First Edition p 4

[Correspondent Aleksandr Aleshkin report under "Region" rubric: "Agreement Between Ukraine and Chechnya"]

[Text] Vladikavkaz—Ukraine and Chechnya recently signed an agreement "On Stabilizing Economic Ties in 1992." According to estimates by the local press, mutually advantageous trade and economic contracts have been concluded to the value of 12 billion rubles. A bilateral intergovernmental commission has been set up to draw up and implement specific measures to fulfill the agreement, and trade missions have been opened in Kiev and Groznyy.

CSFR Has No Territorial Claims on Ukraine

LD3103083292 Moscow ITAR-TASS in English 0418 GMT 31 Mar 92

[By ITAR-TASS correspondent Vitaliy Yaroshevskiy]

[Text] Prague March 31 TASS—As for the Carpathian region in Western Ukraine, the CSFR is not interested in recarving the Czechoslovak borders, Czechoslovak Prime Minister Marian Calfa said in an interview with Ukrainian television. This statement was released by the CSTK News Agency late on Monday [30 March].

"We respect the accords within the CSCE frameworks and all international documents saying that borders can be changed only by peaceful means," Calfa stressed.

Dwelling on prospects for Ukrainian-Czechoslovak economic cooperation, Calfa said: "If Ukraine is interested in it as much as we are, it should liberalise economic relations. We know that our enterprises trade with Ukrainian partners, whose payments are blocked by the central bank system. The solution to this problem hinges on Ukraine."

Representative at United Nations Views Tasks

AU3003101892 Kiev URYADOVYY KURYER in Ukrainian No 12 (58), Mar 92 p 9

[Interview with Viktor Batyuk, Ukraine's permanent representative at the United Nations, by Mykola Dymyn; place and date not given: "Our Own People Overseas"]

[Text] **Editorial note: The Ukrainian diplomat has recently turned 53. He is a graduate of the Moscow International Relations Institute. He occupied various diplomatic posts at Ukraine's Ministry of Foreign Affairs: between 1968 and 1973, in Ukraine's permanent delegation at the United Nations and between 1978 and 1984, as Ukraine's permanent representative at the U.N. department and other international organizations in Geneva.**

Prior to being appointed to the post of Ukraine's permanent representative at the United Nations, he headed the department of international organizations and was a member of the board of Ukraine's Ministry of Foreign Affairs.

Batyuk likes poetry and painting. He is a member of the Union of Writers of Ukraine. He translates from Bengali, English, French, and Polish. The readers are quite familiar with his translations from English of Mario Puzo's "Godfather," Katherine Anne Porter's "Ship of Fools," and other novels, stories, and poetry. He writes for URYADOVYY KURYER.

[Dymyn] What was your feeling when you learned about your new appointment and how would you describe your main goal at this post?

[Batyuk] As regards my appointment, I am happy, just as any person who has dedicated his life to this cause and who has finally been given a chance to show his abilities and put his ideals or political aspirations into effect. My principal goal is to use all the possibilities afforded by the United Nations Organization in order to strengthen our independence and promote the resolution of the problems that Ukraine is now facing. I understand perfectly well that all these questions will be dealt with within our country, but I also know that in certain cases, when the international situation deteriorates, the role of the United Nations, especially of its Security Council, increases greatly. In that case, the world's attention is focused upon the United Nations Headquarters in New York.

My intention is to see to it that the world treats Ukraine as an independent and a sufficiently great power. There are 175 countries in the United Nations, and our country occupies 13th or 14th place in terms of its contribution to the budget of this international organization. Ukraine must also play a corresponding role in the United Nations. It is clear that this is difficult to achieve at present, but better times lie ahead. Thus, this will be one of my main missions at the United Nations.

Second, there is still no Ukrainian Embassy in the Unites States, and our delegation at the United Nations has to deal with affairs that are typical of an embassy. People turn to us with various questions, they seek contacts with Ukraine; relations with the Ukrainian Diaspora have become much more lively. At present, our representatives have to spend too much time on work with different groups of people. Individual people come to us and firms establish ties with their prospective partners. This is also one of the tasks that I will try to resolve, despite the fact that we are only a very small team (eight diplomats altogether). Incidentally, Ukraine is at 70th-80th place among the United Nations members in terms of the number of personnel. Well, we will try to work efficiently even with such a small team, and we also hope that a Ukrainian Embassy will soon be opened in the United States and new people will work for our common cause.

[Dymyn] Is it true that a proposal is being considered to move Ukraine's Permanent Delegation from the building that also houses other representatives of the CIS countries to the Ukrainian Institute of America—the cultural center of our Diaspora in New York?

[Batyuk] Yes, I would very much like to have the offices of our Permanent Delegation moved to the Ukrainian Institute of America that Mr. Dzhus [as transliterated] bought and bequeathed for use "by the embassy of an independent Ukraine." Perhaps some people thought that this would never happen, but fortunately, Ukraine is becoming truly independent and will open its embassies in different countries. I consider the moving to the building of the [Ukrainian] Institute of America as a manifestation of the links between Ukrainians who live in their fatherland and in the Diaspora and as cooperation in the development and strengthening of Ukrainian statehood. Consequently, our moving to a new building is significant not only from the official, but also from the psychological and moral points of view. It is essential for everybody to feel that we are one people. It is worth uniting for this. We would like to arrange our offices in the Ukrainian Institute in such a way as to further the cultural activity of the local Ukrainian community, and our delegation would join that activity as a constituent part. We would work there with pleasure if this balance is maintained.

[Dymyn] Thank you for the interview and please accept our wishes for success in your work for the prosperity of our state.

National Affairs

Deputy Prime Minister Views Economic Reform

LD3003135492 Kiev Ukrayinske Radio First Program Network in Ukrainian 0600 GMT 27 Mar 92

[Report on news conference by Volodymyr Lanovyy, Ukrainian deputy prime minister and economic minister, by correspondent Eduard Kotenko, in Kiev on 26 March—Lanovyy remarks in Russian or Ukrainian as noted, recorded]

[Excerpts] [Kotenko] Dozens of Ukranian and foreign correspondents came to hear the information which interests today millions of people in Ukraine first hand. Our meeting with Volodymyr Tymofeyovych Lonovyy began with a brief description of the crisis state of the economy of the young independent state. After that he spoke about the principles and main directions of the economic reform.

[Lanovyy, in Russian] A program document, the plan of economic reforms, which is in front of us now, was made with a view to implementing the reforms quickly. One can say they are of the shock variety, taking into account the situation in Ukraine, as it is unprepared for independent implementation of the reforms because its economy is not under full control of the state. It is part of the economy of another state and is still regulated largely from Moscow. Therefore a fast speed is impossible here.

In this connection, the plan of economic reforms contains three main parts. The first part is the questions to do with the making of national economy and providing economic security of Ukraine. The second part is in effect macroeconomic reforms and the third part is reforms at the level of enterprises, business undertakings, investments, creating a market infrastructure, i.e. local actions to transfer to a self-regulating market economy.

[Kotenko] A number of questions concerned the ways of totally replacing rubles by coupons and Ukraine's transfer eventually to its own national currency.

[Lanovyy, in Russian] At last, it is being said (?that we should have) implemented it from February. We had to transfer smoothly over a month from ruble circulation to coupon circulation. We had to create organizational and technical preconditions necessary for that, thus winnning trust of Ukraine's citizens in money, i.e. trust in the state. We have made a decision now, and it will soon be published, so that, first of all, the means that are being saved up by people in banks, in the system of savings banks and commercial banks, will be given to them on request, as it should be, in the currency they choose regardless of whether it was deposited in rubles or in coupons but within limits of availability of ruble resources in the banks. On the territory of Ukraine there will be no trade, catering or service enterprises where people normally spend money, that will not accept coupons.

The time of introducing the Ukrainian monetary unit, has it been reviewed or not? The thing is that this question is fairly secret, a state with self-respect will not hurry and give concrete dates. That is why this date is not given by us. It was said that a consignment of gryvnas will be ready in June, that is why it was not said that the hryvna will be introduced in June and it is, of course, absolutely wrong to introduce it until the monetary unit is ready. The introduction should be made when the monetary system is ready so that the monetary unit does not collapse at once.

[Kotenko] Journalists asked about the program of conversion in Ukraine.

[Lanovyy, in Ukrainian] One of the most vigourous programs began to be implemented—conversion of the military complex. [Words indistint] branches. [Words indistinct] capital-intensive measures and there will be returns on them already this year, the first return. But naturally there is a gap between investment and return. As for selling weapons which are being released in process of reducing weapons and those that are still being produced at Ukrainian enterprises, this question does not fall under jurisdiction of the Ministry of Economy, (?utilization) of removed weapons [word indistinct] by the Ministry of Defense. Naturally, I cannot give either prices or hard currency revenues not knowing this information. [passage omitted]

Rukh, Crimean Tatars Meet Government Official

LD3003094292 Kiev Radio Ukraine World Service in Ukrainian 2300 GMT 26 Mar 92

[Text] The cochairmen of the People's Movement of Ukraine [Rukh] and members of the Majlis of the Crimean-Tatar People met with Ivan Saliy, the representative of the president of Ukraine in Kiev. The leadership of Rukh informed the representative of the president that it would strive for complete return of the Crimean Tatars to their Fatherland. Ivan Drach, cochairman of Rukh, proposed to set up a permanent council that would have deputies of the Supreme Soviets of Ukraine and the Crimea and representatives of the Majlis as its members. In the view of Ivan Drach a council with such composition would be able to settle problems arising in the Crimea and those between Ukraine and the Crimea.

Division of Powers Agreed With Crimea

LD2703222792 Moscow TASS in English 1849 GMT 27 Mar 92

[By UKRINFORM-TASS]

[Text] Kiev March 27 TASS—The division of powers between Ukraine and the Republic of Crimea will be done in constitutional-agreement form, under a decision taken at the negotiations between delegations from the Ukrainian and Crimean parliaments, ended late at night on Thursday [26 March].

The delegations agreed their draft law will be preliminary considered by the Crimean Supreme Soviet and then adopted by the Ukrainian parliament. The law will serve as a legal basis for relations between Ukraine and the Republic of Crimea, which is part of the Ukrainian state.

An agreement has been reached that the law's provisions will be included in the Crimean Constitution, which is now being elaborated. Corresponding changes will also be introduced in the Ukrainian Constitution.

The agreement and the draft law envisage guarantees that this division of powers cannot be changed unilaterally.

Crimean Union of Officers Established

LD2703160792 Kiev Radio Ukraine World Service in English 0100 GMT 27 Mar 92

[Text] A public club, Union of Officers of the Crimea, has been set up at the constituent conference which took place in Sevastopol. Its main goal is to ensure social, legal, economic and moral protection of officers and members of their families under conditions of market and political instability. The Union of Officers of the

Crimea is a voluntary and non-military public organization, which is open to all officers.

Members of State Duma Economic Board Listed

AU3003103892 Kiev URYADOVYY KURYER in Ukrainian No 12 (58), Mar 92 p 3

["Ukrainian Presidential Order on Members of the Board in Charge of Questions of the Economic Policy of Ukraine's State Duma" issued in Kiev on 6 March]

[Text] 1. To approve the personal composition of the Board in Charge of Questions of the Economic Policy of Ukraine's State Duma (see supplement).

2. The order becomes effective on the day of its signing.

L. Kravchuk, president of Ukraine

Kiev, 6 March 1992

Personal Composition of the Board in Charge of Questions of the Economic Policy of Ukraine's State Duma

Borodyuk, Volodymyr Mykhaylovych—director of the National Institute of Economic Programs, doctor of economic sciences;

Volokha, Petro Feodosiyovych—director of the State Cattle- Breeding Factory [Derzhplemzavod] "Ploskivskyy" in Kiev Oblast, candidate of economic sciences;

Heyets, Valeriy Mykhaylovych—head of department of the Ukrainian Academy of Sciences Economics Institute, doctor of economic sciences, professor;

Herts, Ivan Ivanovych—head of administration of the association of the leaseholding collective "Zakarpatlis" ["Transcarpathian Timber"], people's deputy of Ukraine;

Hetman Vadym Petrovych—head of administration of the Agricultural and Industrial Bank "Ukrayina," people's deputy of Ukraine;

Dzyubenko, Oleksandr Yazorovych—head of administration of the Western Ukrainian Commercial Bank, Lvov;

Zvyahilskyy, Yukhym Leonidovych—director of mine imeni Zasyadko, Donetsk, people's deputy of Ukraine;

Zubets, Mykhaylo Vasylyovych—vice president of the Ukrainian Academy of Agrarian Sciences, academician;

Levchenko, Hennadiy Petrovych—general director of plant imeni Malyshev, Kharkiv;

Melnykov, Oleh Serhiyovych—director of Odessa champagne wines factory;

Naumenko, Volodymyr Ivanovych—head of the Ukrainian President's Economic Service, candidate of economic sciences;

Oskolskyy, Valentyn Volodymyrovych—head of administration of the stock exchange of securities;

Pakhomov, Yuriy Mykolayovych—head of the Ukrainian Academy of Sciences economics department, academician, director of the Ukrainian Academy of Sciences Sociological Institute;

Pavlyk, Vasyl Ostapovych—first deputy chairman of the Ivano-Frankovsk Executive Committee, candidate of economic sciences;

Pynzenyk, Viktor Mykhaylovych—head of chair at Lvov State University, doctor of economic sciences, professor, people's deputy of Ukraine;

Pohoryelov, Serhiy Stepanovych—president of the Ukrainian League of Enterprises Using Foreign Capital;

Podlesnyuk, Viktor Vasylyovych—head of the planning and financial administration of Ukraine's Ministry of Trade;

Plyutynskyy, Volodymyr Antonovych—head of the agricultural firm "Zorya" in Rivne Oblast;

Raykov, Borys Serhiyovych—general director of the Cherkasy association "Azot" ["Nitrogen"];

Slyednyev, Volodymyr Petrovych—director of the Donetsk Metallurgical Plant, doctor of technological sciences, people's deputy of Ukraine;

Chernyak, Volodymyr Kyrylovych—head of department at the Ukrainian Academy of Sciences Economics Institute, doctor of economic sciences, professor.

The Board in Charge of Questions of the Economic Policy of Ukraine's State Duma is headed by Yemelyanov, Oleksandr Serhiyovych, state adviser for questions of economic policy.

Rukh Fears 'Authoritarian Tendencies'

LD3003110292 Moscow Radio Rossii Network in Russian 1000 GMT 28 Mar 92

[Text] The Rukh popular movement, which was formed as a social force in the struggle against the old structures of power, must become a constructive factor in the new statehood in Ukraine. This was stated in Lvov by Rukh Cochairman Vyacheslav Chornovil.

According to RIA, he expressed alarm in connection with the setting up in the republic of the institute of representatives of the president. In Chornovil's view, authoritarian tendencies may take the upper hand in the activity of this institute. According to him, in a number of oblasts of Ukraine former partocrats have been appointed representatives of the president.

Government Relaxes Export Restrictions

OW2903184992 Moscow INTERFAX in English 1733 GMT 29 Mar 92

[From the 30 March "Business Report"; transmitted via KYODO]

[Text] In an attempt to stimulate foreign trade and increase hard-currency inflow, Ukraine has authorized republican firms to act as direct intermediaries, giving them the right to export not only their own production, but also other goods purchased in Ukraine. In the Soviet Union intermediary export activity was, for the most part, banned.

In a press conference in Kiev, Vladimir Kravchenko, Ukrainian minister of foreign economic relations, announced plans to set up a system of hard-currency trade for unrestricted exchange of dollars for coupons (Ukraine's quasi-currency), as well as rubles. In addition, Kiev announced its plans to set up a network of Ukrainian- foreign trade houses and an international investment-trust bank.

On March 24 Hewlett Packard held a press conference following the opening of its new office in Moscow. The office includes an exhibition hall and a service centre and is located at the Technopark Complex in the Exhibition of Economic Achievement.

At the press conference some of the company's latest equipment was on display, including the Laser Jet 11P Plus printer, the Scanjet 11P scanner, the Paintjet XL 300 printer and the Vectra PC 386s/20 personal computer, which Hewlett Packard's commercial representative, Mr. Sergey Zabelin, believes will in May this year replace analogous Hewlett Packard production on the Russian market. Mr. Zabelin also said that he had received plenty of orders from Hewlett Packard dealers for the new equipment. A number of commercial offers are also being considered.

The company's new products will be exhibited at the Comtek 926 Exhibition, which will be held from April 6 to 10 in Moscow.

Chairman Comments on Coupon Inflation

LD2703214992 Moscow POSTFACTUM in English 1455 GMT 27 Mar 92

[From the "Politics" section]

[Text] Kiev—Chairman of the People's Rada (Council) of the Ukrainian Supreme Soviet Les Tanyuk: I am against announcing a new national economic program.

Tanyuk also told PF [POSTFACTUM] on March 26 that the program does not envisage mechanisms for its implementation and the present government is unable to elaborate them. In addition, there are nobody to carry through this program in the republic, he said. Tanyuk said prospects for Ukrainian-Russian relations had seriously complicated in conjunction with the adoption of the basic principles of Ukraine's policy, because the program proposed by President Kravchuk is fisticuffs rather than a chess game.

According to Tanyuk, Ukrainian President Kravchuk always has to violate the constitution, form some bodies which are not envisaged by it. The Ukrainian President needs to change the government completely rather than form it out of the old team, Tanyuk said. Tanyuk thinks the coupon inflation is inevitable, because the coupon's tainted reputation will not generate high trust in it even when it remains the only currency. We don't know who pile up pockets on coupon inflation.

Belarus

Shushkevich Denies Territorial Claims

LD2603194692 Vilnius Radio Vilnius Network in Lithuanian 1100 GMT 26 Mar 92

[Text] Belarus will create the most favorable conditions for the Lithuanians residing on its territory to preserve their characteristics and develop their culture, and expects the same from Lithuania, Stanislav Shushkevich, the chairman of the Belarussian Supreme Soviet, told journalists after his brief visit to Vilnius. We managed to discuss the most important problems concerning Belarussian-Lithuanian relations, the Belorussian Supreme Soviet chairman said of his meeting with Vytautas Landsbergis, the leader of the Lithuanian parliament. Commenting on the alleged utterance by the Belarussian foreign minister about Belarussian territorial claims on Lithuania, he described this rumor as a joke.

Republic Reportedly About To Introduce Coupons

AU3103072192 Kiev Radio Ukraine World Service in Ukrainian 1330 GMT 30 Mar 92

[Text] As reported from unofficial sources, the Supreme Council of Belarus has decided to introduce coupons in the republic, in addition to the Commonwealth's common monetary unit—the ruble. The observers point out that this is a step toward the transition to the republic's own currency.

For two days, (?the Supreme Council session) worked behind closed doors. As explained by its leader Stanislav Shushkevich, this was done lest the emotions of individual deputies during the discussion of acute questions should increase the tension among the population of the republic.

The Supreme Council intends to propose its own program for extricating Belarus from the economic crisis. However, so far there has been no official information about the measures proposed.

Retaliatory Cut in Meat Supplies to Russia

PM3103102992 Moscow ROSSIYSKAYA GAZETA in Russian 26 Mar 92 First Edition p 3

[AEN report under the "Chronicle" rubric: "Tit for Tat"]

[Text] The Belarus Council of Ministers has ordered that supplies of meat to the Russian Federation be reduced by 9,600 tonnes this year. This measure was in response to the refusal by Russia to supply 22,000 tonnes of fish meal for the production of mixed feed—exactly as much as is required to produce the 9,600 tonnes in question. This meat will be delivered to the Belarussian Ministry of Grain Products this year so that it can seek to obtain fish meal by barter.

Striking Miners Block Trains in Soligorsk

OW2803153692 Moscow INTERFAX in English 1338 GMT 28 Mar 92

[Transmitted via KYODO]

[Text] Belarussian miners continue to strike in Soligorsk (Belarus). Despite considerable losses suffered by the "Belaruskalii" amalgamation, local authorities have not yet reacted to the strikers' demands for new tariff agreements. The miners block the loading section and prevent trains with calium salt from leaving.

Command Not Involved in Aug Coup Attempt

LD2803060192 Moscow Mayak Radio Network in Russian 1300 GMT 27 Mar 92

[Text] The procurator for the Belarussian Military Tribunal has stated that the command of the Belarussian Military District was not involved in the August putsch. This statement was a reaction to the continuing attempts to accuse the top district leadership of involvement in the putsch.

Chernobyl Radiation Levels 'More Dangerous'

LD3103084592 Moscow ITAR-TASS in English 1147 GMT 30 Mar 92

[By ITAR-TASS correspondent Dmitriy Patyko]

[Text] Minsk, March 30 TASS—Chernobyl radionuclides of heavy metals proved more dangerous than was hitherto reckoned. The study of the migration of these particles by researchers at the Belarussian Academy of Sciences' Institute of Radiobiology has revealed that the particles migrate very slowly.

The hope that Cesium and Strontium ions would rapidly sink deep into the ground—at a rate of five to seven centimetres a year—before reaching subterranean waters upon losing part of radioactivity along the way and that they would pose no great danger has not come true.

It turned out that the actual rate of their vertical drift is measured in millimetres or even fractions of a millimetre a year. Even now, six years after the Chernobyl disaster, practically the entire radioactive debris still remains in the upper three-centimeters-thick layer of soil.

In such a case, scientists are convinced, adjustments should be introduced to the very concept of safe residence on contaminated territory. A per capita dose of exposure to radiation was previously calculated in the hope that radionuclides would rapidly sink deep into the ground.

Moldova

Dniester Parliament Issues Appeal to Yeltsin

LD2903050592 Moscow ITAR-TASS World Service in Russian 0005 GMT 29 Mar 92

[By ITAR-TASS correspondents Vladimir Gondusov and Sergey Shevtsov]

[Text] Dubossary, 29 Mar (ITAR-TASS)—The Moldovan president's decree imposing a state of emergency throughout the territory of Moldova has caused disquiet among the residents of the left bank. People are expecting major troubles, especially since, according to the Dniester Republic's intelligence, two columns of men and hardware were detected at nightfall in the Dubossary area, moving from the direction of Moldova. According to a report from Tiraspol, another column is moving in the direction of Bendery. Unconfirmed figures estimate the size of each column as 1,500-2,000 men.

Because of the explosive situation in the region, the Supreme Soviet of the PMR (Pridnestrovye Moldovan Republic) has issued an appeal to the Russian president and parliament, describing the introduction of the state of emergency as an attempt to impose a dictatorship in the Dniester region. The appeal also condemns the strong-arm tactics employed by Moldovan President Mircea Snegur and asks that everything possible be done to prevent bloodshed in the heart of Europe.

[Moscow Radio Rossii Network in Russian at 0300 GMT on 29 March in a related item reports: "In response to the introduction of a state of emergency by Moldova, Dniester Republic President Igor Smirnov has imposed a curfew throughout the Dniester territory. AFP reports that all Dniester guards units have been placed on full alert. A mobilization is under way in the Dniester region. Meanwhile, (Mikhail Kindiglyan), head of the Gagauz Republic parliament, told INTERFAX that a curfew is also being imposed throughout this republic. The aim of this measure, he said, is to defend itself against any possible aggression from Moldova."]

Security Council Views Emergency Measures

AU3003154992 Bucharest Radio Romania Network in Romanian 1300 GMT 30 Mar 92

[Dispatch from our Chisinau correspondent]

[Text] The Republic of Moldova Supreme Security Council met today to examine the evolution of the situation created by the introduction of the state of emergency throughout the territory of Moldova, according to a communique from the Group of Control, Coordination, and Information.

A number of operative and long-term measures under the executive's responsibility were taken. The majority of the population was found to agree with the introduction of the state of emergency, says the communique, and is anxiously watching the evolution of events, favoring consequent and wise steps to ensure the independence and territorial integrity of the Republic of Moldova. As stipulated in the presidential decree, steps were taken with respect to controlling road traffic and guarding the most important economic units.

The communique says that the separatist leaders initiated new violent acts against the civil population in the conflict area. In areas surrounding the villages of Lopatna and Jora de Sus in the Orhei Rayon, 20 Cossacks attempted to cause a diversion last night. The village of Cosnita was attacked with (?Alazan-type) rockets. The inhabitants of the village, together with police troops, repelled this aggression, but casualties were reported. One policeman lost his life and five other persons, including two civilians, were injured.

The Republic of Moldova Supreme Security Council issued a warning to the mayor of Chisinau and to the president of the Criuleni rayonal executive for not having precisely complied with stipulations of the state of emergency decree.

Sources in Tiraspol announced that a special session of the Supreme Soviet of the so-called republic is taking place there. The sociopolitical situation in the area after the state of emergency decree was discussed. There are certain divergent views, but the majority of the deputies is ready to mobilize all forces to safeguard the separatists' interests. There are rumors that all industrial plants and factories will have to take up war materiel production. Some believed that not all peaceful means to solve the conflict have been exhausted. Separatist leader Alexandru Caraman said that he does not agree with setting up a free economic zone.

The Prosecutor's Office of the Republic of Moldova sent a letter today to the president of the Tiraspol Town Executive Committee, Igor Smirnov, giving him a last chance to avoid bloodshed in that area, urging him to unconditionally proceed in implementing the decree of Moldova's president on the introduction of the state of emergency throughout the territory of the republic.

'Leaders May Renounce' Free Economic Zone Plan

OW3003140392 Moscow INTERFAX in English 1313 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] Moldovan President Mircea Snegur warned that the republic's leaders may renounce plans for granting the status of a free economic zone to the Dniester region. Talking on Sunday [29 March] with Moldovan policemen in the area of combat operations, he said that following the separatists' latest actions which the Moldovan leaders qualify as genocide against civilians, the Dniester region will not see what was previously promised to them.

Mircea Snegur said that the Moldovan leaders bore part of the responsibility for allowing the conflict to be so lengthy. Now every effort should be made to use the remaining peaceful methods for restoring the left bank's constitutional bodies with the least sacrifice. Snegur expressed hope that there are forces in the Dniester region which are brave enough to say "no" to the Smirnov regime.

See March 30's Presidential Bulletin for more details on this statement.

Earlier, representatives of the Union of Communists movement gathered in front of the Moldovan mission in Moscow (18, Kuznetskiy Most) to demand that ethnic Russians in the Dniester region be protected. They adopted a resolution on sending volunteers to support the Russian population.

Smirnov Calls for Troops Withdrawal, Talks

LD3003171392 Moscow Programma Radio Odin Network in Russian 1500 GMT 30 Mar 92

[Text] Smirnov, president of the Dniester Moldovan republic, has issued a statement. It says that taking into account the very difficult situation which threatens the safety and lives of citizens, the Dniester Moldovan republic will take the most decisive and comprehensive measures in order to protect its territory. All the responsibility for the consequences will lay on the shoulders of the Moldovan leadership.

At the same time, the statement notes that the only way to prevent any further escalation of tensions and any consequent unwarranted loss of lives is the immediate withdrawal of all armed formations to areas of their permanent deployment; the completion of the process of exchange of prisoners; and further bilateral talks.

Dniester President Warned of 'Last Chance'

OW3003155192 Moscow INTERFAX in English 1514 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] Moldova's Procurator Dimitru Pustovan has sent the head of the Tiraspol Executive Committee Igor Smirnov, who in December 1991 was elected President of the Dniester Republic still unrecognized by Chisinau, a message demanding that Smirnov immediately begin to implement the Moldovan president's decree on the state of emergency. "This is your last chance to avoid bloodshed in the region. Failure to comply with the decree may lead to consequences that neither you nor anybody else could possibly justify. You will bear the full responsibility for these consequences, and no patron will be able to help you. You must stop arbitrariness and legal chaos," the message reads.

Similar messages were sent to the heads of executive committees and people in other cities on the left bank of the Dniester.

The Moldovan president's decree issued on Saturday [28 March] contained, among other things, a demand that all illegal units in the Dniester area surrender their arms.

'Intense War Preparations' in Dniester Region

AU3103073092 Bucharest ROMPRES in English 0706 GMT 31 Mar 92

[Text] Bucharest, ROMPRES, 31/3/1992—MOLDOVA PRES informs that Monday, March 30 saw further sporadic firing near the village of Cosnita. No casualties were reported. The policemen and volunteers fighting in the first line told the aforementioned agency "they would hold to their positions."

MOLDOVA PRES also reports that the reaction of the separatist forces in Ribnita to the state of emergency imposed in the Republic of Moldova were intense war preparations.

Troops Concentration Around Dubossary Continues

LD3103104592 Moscow Radio Rossii Network in Russian 0800 GMT 31 Mar 92

[Report by correspondent Gennadiy Varfolomeyev on situation in Tiraspol region]

[Text] During the night of 30-31 March, an intense skirmish took place around the dam in Dubossary with grenade throwers and large calibre machine guns being used. The opposing sides did not take any other actions. The accumulation of men and hardware is continuing. At the present time Moldova has concentrated armed formations amounting to 7,000 men in the Dubossary region. Three battalions of an escort regiment, amounting to around 600 men, have been transferred to Koshnitsa. Armored personnel carriers and armored infantry vehicles are being moved up. On 30 March, hill 124 at the Koshnitsa bridgehead was taken by Dniester guards. A meeting of officers and ensigns of a helicopter squadron that is part of the 14th army took place in Tiraspol. The meeting decided that if necessary it would come out to protect the population of the Dniester region.

Snegur Protests Over Airspace Violations

LD3103085692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0800 GMT 31 Mar 92

[From the "Novosti" newscast]

[Text] Moldovan President Mircea Snegur has sent a telegram to Yevgeniy Shaposhnikov, commander in chief of the CIS Joint Armed Forces, urging him to inform the Moldovan leadership of measures being taken to control the activities of the 14th Army. The telegram notes that practically every day Moldovan airspace is violated without the agreement of the appropriate state administration bodies. A military airfield in

Tiraspol is being used and dozens of aircraft belonging to the CIS Air Force are landing there.

Snegur Briefs Parliament on Dniester Situation

AU3103113492 Bucharest Radio Romania Network in Romanian 1000 GMT 31 Mar 92

[Gabriel Ionescu report from Chisinau—recorded]

[Text] This morning when the proceedings of the Moldovan parliament opened, President Mircea Snegur briefed the deputies on the first measures taken after decreeing a national state of emergency. He presented the steps taken before the adoption of that decision. Snegur said that all possibilities for dialogue with the separatist leaders had been exhausted. Moldova had initiated all meetings and proposed a cease-fire and the creation of a free economic zone on the left bank of the Dniester.

In connection with how the separatists responded to these negotiations, Snegur referred to yesterday's session of the so- called Supreme Soviet in Tiraspol and to the statement made by Vice President Alexandru Caraman, namely ili pan ili propal as the Russian phrase goes, or going for broke as the translation goes. Thus the separatists have chosen the road of bloodshed.

Referring to the statement issued by the Russian Government on 24 March, Snegur said that Moscow is familiar with the actions taken by the Cossacks, which it actually endorses. The top leadership of the Russian Federation has not responded to the appeals by the Moldovan Presidency. Given this destructive situation, Snegur said, attempts are being made to federalize the Republic of Moldova, making further negotiations with the current leaders in Dniester region impossible. There is a single road to end this conflict peacefully, namely the emergence of progressive forces on the left bank of the Dniester River with whom dialogue is possible.

Snegur said he is in constant contact with Romania and Ukraine. Snegur said yesterday he held talks with Romanian President Iliescu and Ukraine President Leonid Kravchuk. Yesterday the Ukraine leadership convened the Defense Council, which decided not to permit any armed group to cross its territory since Ukraine was aware of certain intentions to involve it in this conflict. Snegur added that the Foreign Ministry is briefing embassies in Chisinau and abroad on a continual basis.

The Moldovan Supreme Security Council, Snegur said, hopes to be supported in its actions by the parliament and by the people in order to completely fulfill its responsibilities.

I also want to inform you that at 1500 today a meeting of experts from the Foreign Ministries of Romania, Moldova, Ukraine, and Russia is scheduled in Chisinau. The participants will examine possible solutions to the conflict on the left bank of the Dniester.

More on Snegur Remarks

LD3103121892 Moscow ITAR-TASS in English 1143 GMT 31 Mar 92

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Chisinau, March 31 TASS—Moldovan President Mircea Snegur has accused Dniester leaders of unwillingness to resolve the conflict by peaceful means. Addressing the Moldovan parliament today, he said that "Moldova would take the necessary measures to restore lawfulness and order, to defend the indigenous population on the left bank of the Dniester".

Taking part in the parliament meeting for the first time was a group of deputies from the Dniester's left bank. They called on the conflicting sides to withdraw their Armed Forces from the conflict zone and to continue the negotiations.

Army Commander Cited on State of Emergency

PM3003193992 Moscow KRASNAYA ZVEZDA in Russian 31 Mar 92 p 1

[Major A. Stasovskiy report: "State of Emergency in Moldova: The Road to Peace or Yet Another War?"]

[Text] Despite the cessation of armed clashes agreed by both sides, the events of recent days in Moldova and the Dniester region are evidence that all of this could be the calm before the real storm. One of the main events of the past weekend is, of course, the introduction of a state of emergency in the Republic of Moldova. It has been received equivocally both inside and outside Moldova.

In response to Mircea Snegur's decree on the introduction of a state of emergency in Moldova, RIA reports, an additional mobilization of guardsmen and Cossacks has been declared in the Dniester region, defensive positions are being constructed, and a curfew has been introduced.

The MOLDOVA-PRESS agency has circulated an appeal by the Moldovan Ministry of Internal Affairs to the republic's citizens. It claims that, as a rule, the population of the left bank's cities and villages knows nothing about the republic leadership's peace initiatives and is being deluded by the illegal authorities as to the true aim of the president's decree.

Our correspondent, Colonel Nikolay Mulyar, asked a question about the decree issued on the state of emergency. Major General Yuriy Netkachev, 14th Army commander, said that the introduction of a state of emergency has only increased the tension. In the commander's opinion, the activity of opposition forces in Moldova is now increasing and it cannot be ruled out that the state of emergency was also introduced to extinguish domestic passions in the republic.

The reports being received from Moldova and the Dniester region continue to be contradictory. They nevertheless have one aspect in common—increased concern and tension.

According to information received by the editorial office from a trustworthy source, an instruction has been given in Moldova to carry out mobilization of the male population aged from 20 to 40 years. Military units have started receiving mobilization resources in wartime quantities.

The rate of mobilization is fast. Over 2,500 people have already been mobilized in a short time. Every rayon in Moldova has been given the duty of forming one motorized infantry battalion.

Officers who are doubted by the Moldovan side are being urgently replaced by officers of Moldovan nationality with two years' service [dvukhgodnichnik]. An instruction has been issued for the entire officer corps of the republic's armed formations to be replaced by national cadres before 10 April.

In this context it would be logical to part company with officers of other nationalities, whom the Moldovan side considers unreliable. They are, however, in no hurry to do this. Even the officers who brought to units documents on their transfer to Russia have not yet been allowed to leave Moldovan territory. The officers believe that they could be used as political hostages in the future.

It is not hard to understand the mood of officers of non-Moldovan nationality. They are living in anticipation of certain decisions by Russia. They literally have their bags packed and are ready to leave Moldovan territory at the drop of a hat. According to Maj. Gen. Netkachev, 14th Army commander, Army units are urgently preparing an appeal to the leaderships of Moldova and the Dniester region containing a pressing request and a demand to solve disputed questions only at the negotiating table, without drawing Army formations into an armed conflict.

Meanwhile, in the next few days, Moldovan Republic Prime Minister Valeriu Muravschi stated at a news conference in Chisinau that the authorities in Moldova intend to make another attempt to agree and solve all thorny questions by peaceful means. On this occasion the Moldovan side's leadership intends to enter into a dialogue with representatives of the working class and intelligentsia and with leaders of enterprises, with whom it is possible to seek a solution to the problems in the Dniester region. In Muravschi's opinion, it is impossible to find a common language with the current Dniester region leaders.

The prime minister suggests that a situation could arise whereby the republic Supreme Security Council, created by presidential decree, will consider measures of a military nature, disband local organs of authority in the Dniester region, and appoint its own representatives in the Dniester region. It was not said how this might be done, but Muravschi does not exclude the possibility of turning to other states for assistance.

Mobilization of Males Reportedly Begins

LD3103140492 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 31 Mar 92

[From the "Novosti" newscast]

[Text] POSTFACTUM reports that the Moldovan military registration and enlistment office has given instructions for the mobilization of the male population between the ages of 20-40. Each rayon of Moldova is required to raise one rifle battalion, POSTFACTUM reports.

Government Introduces Press Censorship

OW3103142692 Moscow INTERFAX in English 1304 GMT 31 Mar 92

[Transmitted via KYODO]

[Text] The Moldovan government ordered in the Republic to bring the Moldovan press under the control of emergency committees for the period of a state of emergency. The press will be obliged to publish all official mdterials of these committees and present one copy to the State Office of the Republic.

Kazakhstan

Syrian Minister Visits; Ties Established

LD2703211492 Alma-Ata Kazakh Radio Network in Kazakh 0000 GMT 27 Mar 92

[Text] A delegation of the Syrian Arab Republic, headed by Foreign Minister Faruq al-Shar', which is visiting Alma-Ata, was received yesterday by Vice President Yerik Asanbayev. He stressed the importance of strengthening mutually advantageous cooperation between our countries and the entry of the republic into international organizations. The head of the Syrian delegation expressed satisfaction at the development of friendly links between the two states and noted big prospects for the economic and cultural cooperation being arranged. Taking part in the meeting were Tolevtay Suleymenov, minister of foreign affairs, and Syzdyk Abishev, minister of foreign economic ties.

On the same day Foreign Minister Suleymenov and Faruk al-Shar' signed a protocol on the establishment of diplomatic relations between Kazakhstan and Syria at the embassy level.

Vice President Receives U.S. Business Delegation

LD3103085592 Alma-Ata Kazakh Radio Network in Kazakh 0000 GMT 31 Mar 92

[Text] Yesterday Vice President Asanbayev received representatives of a number of leading U.S. banks and investment companies. They discussed foreign investments in the republic's economy and reforms that are happening there.

Kazakhstan's interests in long-term cooperation was emphasized, as well as its readiness to create favorable conditions for foreign firms that are ready to invest money first of all in the free zone. Special attention was given to projects envisaging the construction of small-scale plants in rural areas and the construction of private homes, which also needs foreign investment.

The U.S. business people emphasized the need for stable laws, especially in the tax area, and an up-to-date banking system with the national bank undertaking a leading role as a regulator of money flow.

Turkish Businessmen in Cooperation Talks

LD3103084892 Alma-Ata Kazakh Radio Network in Kazakh 0000 GMT 19 Mar 92

[Text] Yesterday Prime Minister Tereshchenko received a group of Turkish businessmen headed by Demiral, who is chairman of a number of major companies. An exchange of opinions took place on furthering mutually beneficial bilateral cooperation. The two sides are interested in joint projects in Kazakhstan: modern technologies processing raw materials and agricultural products, setting up factories producing construction materials, personnel training, and promoting cultural contacts. Deputy Prime Minister Dzholdasbekov participated in the meeting. Representatives of Turkish business circles are continuing with their work at republic ministries and departments.

Socialist Leader Cited on Role of Party

LD2503224492 Moscow TASS in English 1046 GMT 25 Mar 92

[By KAZTAG correspondent Arkadiy Rotmistrovskiy]

[Text] Alma Ata March 25 TASS—The main tasks facing the Socialist Party of Kazakhstan is to do all it can for preserving civil peace and accord in the republic, Anuar Alimzhanov told journalists recently. The well-known writer and public figure, elected recently to the post of head of the Socialist Party of Kazakhstan, was Chairman of the Council of Republics of the Soviet Parliament till the last days of the existence of the Soviet Union.

According to Alimzhanov, Kazakhstan and the Central Asian Republics played a positive role in the process of formation of the new Commonwealth by helping smooth and prevent conflict situations. So far as Russia is concerned, Alimzhanov believes its leadership has not chosen the best way of tackling political and economic problems. It is not taking into consideration well enough the interests and aspirations of other CIS member states, thus sticking to some of imperial traditions of the former Union. In the opinion of the Chairman of the Socialist Party, which became the successor of the Communist Party of Kazakhstan, the stand assumed by Moscow affects negatively the implementation of measures, aimed at the normalisation of the socio-economic situation in the republic.

Zinc Plant Increases Output of Rare Metals

LD3103061392 Alma-Ata Kazakh Radio Network in Kazakh 0000 GMT 23 Mar 92

[Summary] A local zinc plant is experiencing a considerable increase in the output of rare metals, including renium and cadmium, thanks to the introduction of an efficient sewage purification system. The plant is also achieving positive ecological results, as there is less environmental damage. Plant engineers are carrying out the new technological work in extracting zinc from ore. The high demand for such products will allow money to be saved for the reconstruction of Kazakhstan's nonferrous metallurgy industry.

Use of Caspian Sea Water for Agriculture Viewed

LD3103055492 Alma-Ata Kazakh Radio Network in Kazakh 0200 GMT 22 Mar 92

[Text] Water from the Caspian Sea should be used in agriculture. This was the government's conclusion after studying papers presented by the Mangystau administration on using water from Komsomol Bay in agricultural fields. A technical and economic basis is required to adopt a scientifically justified resolution on this project.

For this reason a number of Kazakh ministries and departments were asked to draw up detailed reports and submit them to the Presidium of the Academy of Agricultural Sciences.

Kyrgyzstan

German Envoy Visits, Meets With Akayev

LD2703065392 Moscow Radio Rossii Network in Russian 2100 GMT 26 Mar 92

[Text] We have been told by the YEVRAZIYA [EURASIA] news agency that Klaus Blech, ambassador of the Federal Republic of Germany to Russia, visited Kyrgyzstan on 26 March. During the visit it was decided that a German embassy would soon open in Kyrgyzstan. This will be the first to be opened in an Asian CIS republic.

Blech met with Kyrgyzstan President Askar Akayev and discussed the position of Germans in the republic as well as bilateral relations and the upcoming visit by the president of Kyrgyzstan to Germany, which will take place in 10 days.

Government Drafts Law on Citizenship

OW2703160292 Moscow INTERFAX in English 1425 GMT 27 Mar 92

[Transmitted via KYODO]

[Text] Shortly, Kyrgyz president Askar Akayev will present a draft law on citizenship to the parliament. The author of the draft law, expert of the presidential apparatus Kubat Kozhonaliyev, told IF [INTERFAX] that this document is based on the European model of civil society and law-based state.

Kyrgyz citizenship shall be granted to people irrespective of their nationality, race or religion. The citizens of the former Union who will live in the republic by the time the law goes into effect, automatically become citizens of Kyrgyzstan if during a year they do not announce their wish to change citizenship.

The newly arriving people will be granted Kyrgyz citizenship by the time they have lived in this state for at least 10 years, and learn the Kyrgyz language well enough for communication. Double citizenship is envisaged.

Adviser Warns Price Hikes Could 'Foil' Reforms

OW2603181692 Moscow INTERFAX in English 1330 GMT 26 Mar 92

[Transmitted via KYODO]

[Text] Talai Koichumalov, an economic advisor to the Kyrgyz president, said in an interview with IF [INTERFAX] that a sharp hike of prices of energy can foil economic reforms in the republic and seriously destabilize the socio-political situation. Koichumalov remarked that Kyrgyzstan supplies a scant 5 percent of its needs for oil.

According to him, the republics having fuel and energy resources do not take account of the fact that Kyrgyzstan does not have the resources to pay world prices. He emphasized that Kyrgyzstan has the lowest minimal wages and pensions in the CIS and all social programs have been slashed to a minimum. According to the president's advisor, Turkmenistan charges 1500 rubles per 1000 cubic meters 1400 rubles for aircraft fuel (instead of 260 rubles and 620 rubles respectively).

Tajikistan

Official Syrian, Tajik Talks Begin 28 Mar

JN2903070092 Damascus Syrian Arab Republic Radio Network in Arabic 0515 GMT 29 Mar 92

[Text] Moscow—Official talks between the Syrian Arab side headed by Foreign Minister Faruq al-Shar' and Tajik Foreign Minister Lakim Kayumov were held in Dushanbe, capital of Tajikistan, last night.

The talks dealt with the situation in Central Asia and Tajikistan, and the international situation in general. The talks also tackled the situation in the Middle East and the peace process. The two sides focused on bilateral relations, and the available means to bolster them in all fields and to strengthen cooperation between the two friendly countries which share historic and cultural ties.

Tajik Foreign Minister Lakim Kayumov voiced the support of the Tajik government and people for Syria's struggle to restore all occupied Arab territories, and for the pertinent international resolutions.

The SYRIAN ARAB NEWS AGENCY, SANA, has learned that the two sides will sign today, Sunday, an agreement to establish diplomatic ties between Syria and Tajikistan on the ambassadorial level. The two sides will also sign an agreement on economic cooperation.

Nabiyev Receives Delegation

JN2903125292 Damascus Syrian Arab Republic Radio Network in Arabic 1215 GMT 29 Mar 92

[Text] Dushanbe—[Syrian] Foreign Minister Faruq al-Shar' has left Dushanbe after a two-day visit to Tajikistan.

Al-Shar' and his delegation are scheduled to arrive later today in Yerevan, the capital of Armenia, and then to visit Ukraine, the last leg of his tour of a number of Islamic Central Asian republics, Armenia, and Ukraine.

Tajik President Rakhman Nabiyev received al-Shar' this morning. Al-Shar' conveyed President Hafiz al-Asad's greetings and wishes to President Nabiyev and to the friendly Tajik people. President Nabiyev asked al-Shar' to convey his sincerest wishes and greetings to President

Hafiz al-Asad. The talks centered on bilateral relations and ways to bolster them. They also reviewed the situation in Central Asia and the international situation, in addition to the situation in the Middle East.

Established With Syria

JN2903171792 Damascus Syrian Arab Republic Radio Network in Arabic 1615 GMT 29 Mar 92

[Text] Moscow—The Syrian and Tajik sides signed an agreement in Dushanbe today establishing diplomatic relations between Syria and Tajikistan. The agreement was signed for Syria by Foreign Minister Faruq al-Shar' and for Tajikistan by Foreign Minister Lakim Kayumov. Economic, trade, cultural, and media agreements were also signed.

Nabiyev Meets With Pakistani Delegation

LD2603221392 Dushanbe Radio Dushanbe Network in Tajik 1800 GMT 26 Mar 92

[Text] President Nabiyev met a delegation from Pakistan on 26 March. At the beginning of the talks, both parties expressed satisfaction at efforts by the two countries aimed at the early establishment of full diplomatic relations. Pakistani Finance Minister Sartaj Aziz gave the president an official invitation from the prime minister of Pakistan to pay a visit to Pakistan at a time convenient to him. The president accepted the invitation with gratitude. The Pakistani minister, speaking on the progress of the talks, stressed that Pakistan hopes to develop economic cooperation in the field of energy.

Nabiyev, expressing satisfaction at the progress of the talks, drew the delegation's attention to the fact that in the event of a positive outcome of the issue of Pakistani assistance for the construction of the Ragun hydroelectric power station, possibilities exist for the construction of a joint aluminum and cement production enterprise run on electricity. The president's proposals were received with great interest. Nabiyev wished the people of Pakistan happiness and prosperity.

On the Tajik side, the talks were attended by Prime Minister Mirzoyev; Economics and Finance Minister Davlatov; and Sirajov, the director general of the Tajikenerga production association. After the discussions, the Tajik and Pakistani delegations continued their talks in the presence of the president. A memorandum on cooperation will be signed at the conclusion of talks on the evening of (?28) March.

Government Not Intent on Forming Own Army

OW2803175492 Moscow INTERFAX in English 1624 GMT 28 Mar 92

[Transmitted via KYODO]

[Text] Chairman of the Tajik Defense Committee, Major-General Faruq Niyazov, stated at a meeting with officers of the Dushanbe military garrison that Tajikistan will firmly abide by agreements on military issues signed at the Kiev CIS summit. He noted that legislation on social and legal protection of military servicemen, recruitment to the armed forces and military service, are being prepared in the republic.

Addressing the Russian Federation's decision to set up a republican defense ministry, Niyazov stressed that it is an inalienable right of every state to have its own armed forces. However, he said, "for the time being Tajikistan has no plans to form its own army".

Turkmenistan

Niyazov Heads Delegation To Saudi Arabia

LD3003104392 Moscow ITAR-TASS World Service in Russian 1015 GMT 30 Mar 92

[Text] Ashkhabad, 30 Mar (TASS)—A government delegation headed by Turkmenistan President Saparmurat Niyazov today left Ashkhabad for Saudi Arabia. The visit is taking place at the invitation of King Fahd. As Sapamurad Niyazov told journalists prior to his departure, issues of the development of political, economic, and cultural cooperation between the two states will be discussed during the course of the visit.

Yeltsin To Visit Ashkhabad, Discuss Treaties

LD3103090992 Moscow Mayak Radio Network in Russian 1500 GMT 30 Mar 92

[Text] During a telephone conversation between Saparmurad Niyazov, President of Turkmenistan, and Boris Yeltsin it was agreed that Yeltsin will visit Ashkhabad during the last 10 days of April.

The NEGA [NEZAVISIMAYA GAZETA] agency reports that the two presidents agreed to sign in Ashkhabad a treaty on friendly relations and cooperation, and to establish diplomatic relations between the two states.

Uzbekistan

Experts Attempt To Contain 'Raging' Oil Gusher

PM3003204592 Moscow TRUD in Russian 31 Mar 92 p 1

[Report by V. Biryukov: "Who Will Tame the Raging Gusher?"]

[Text] An oil gusher has been raging out of control for almost a month in Mingbulak (which means 1,000 springs in translation), which is in Namangam Oblast. Experts from Uzbekistan and a number of Commonwealth countries are attempting to tame it.

However, as yet all attempts to seal the recalcitrant oil well have proved unsuccessful. The capture pits where the oil is collecting already cover more than 50 hectares of land. The Cabinet of Ministers under the president of Uzbekistan has adopted a special resolution on urgent measures to localize the oil spillage in Mingbulak and provide social protection for the population of the region.

At first the well was discharging between 850 and 1,000 tonnes of oil onto the surface every day. Now its productivity has increased to 10,000 tonnes a day. The wellhead pressure is in excess of 700 atmospheres. This is a unique figure in world practice.

An intensive cleanup of the territory around the well is currently in progress in Mingbulak. At the same time expensive shut-off equipment is being brought in from Moscow, Baku, and Groznyy.

Border Troops To Remain Part of CIS Forces

OW3003142992 Moscow INTERFAX in English 1239 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] Uzbekistan does not intend to create border troops of its own, Commander of the Central Asian border district Aleksandr Bogdanov told IF [INTERFAX] following the talks with the Uzbek leaders in Tashkent on March 27 and 28. The talks were held, he said, after Islam Karimov passed a decree on the transfer of the border forces located in Uzbekistan to the Border Troops Department of Uzbekistan's National Security Service.

Aleksandr Bogdanov said that the border troops located in Uzbekistan remain part of the CIS forces. At the same time, Uzbekistan has assumed the responsibility for financing them and for drafting laws dealing with social guarantees for border guards and their families, he said. Uzbekistan is also creating a related department at the National Security Service.

However, part of the questions pertaining to the logistic support and the training of personnel are expected to remain within the competence of the joint command and of the command of the district.

Uzbekistan, he said, does not intend to nationalize the equipment, armaments or property of the border troops located in it. In due course, the National Security Services' Border Troops Department will take charge of all this.

At the moment, the district command has drafted a provision on the Border-Troops Department at the National Security Service which is expected to be discussed with the Uzbekistan leaders. Islam Karimov has reserved four weeks for creating such a department.

Karimov Wants To Decrease Cotton Production

OW2903224292 Moscow INTERFAX in English 1333 GMT 29 Mar 92

[Transmitted via KYODO]

[Text] Addressing a congress of workers of Uzbekistan's agricultural and industrial complex, President Islam Karimov said the republic, the main cotton-producer in the former USSR, should cut down its cotton-growing areas, for, in his opinion, it no longer paid to grow cotton, not even if it were to be sold for hard currency.

The President thought it was more important to grow food crops, such as grain and vegetables, in order to satisfy the republic's food requirements as much as possible. Speaking about land privatization, Karimov was worried that most of the land might ultimately be bought by wealthier people who would turn ordinary peasants into farm hands.

Agro-Industrial Complex Workers Stage Congress

OW2803184692 Moscow INTERFAX in English 1624 GMT 28 Mar 92

[Transmitted via KYODO]

[Text] Addressing the congress of workers of Uzbekistan's agro-industrial complex, Minister of Agriculture Mirzadzhon Islamov said, that all of the positive changes in the republic's economy were the result of President Islam Karimov's efforts.

He noted that following a 50 percent increase in the purchasing prices of cotton last year, the budget increased by almost 4 billion roubles. He also backed the president's decree which grants state and collective farms the right to keep 5 per cent of the harvested cotton for themselves, and all of the raw cotton grown in excess of the plan.

Although the area sown with cotton decreased by 110,000 hectares last year, the republic collected 4,646,000 tons [as received] of raw cotton, which was 200,000 tons above plan, he said.

In 1992 Uzbekistan expects to produce 1,384,000 tons of cotton fiber; 630,000 tons of grain; more than 3 million tons of vegetables and melons, and about 1 million tons of fruit and grapes.

Armenia

Talks Held With Azerbaijan on Cease-Fire, Gas

LD3103005692 Moscow ITAR-TASS World Service in Russian 2305 GMT 30 Mar 92

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 31 Mar (ITAR-TASS)—Official representatives of Armenia and Azerbaijan held their latest meeting on 30 March in Idzhevan, northwest Armenia. They discussed an immediate cease-fire and methods of ensuring public safety, especially during the spring work in the fields along the border zone between the two republics.

The meeting was attended by managers of gas delivery and transportation associations, representatives of the commands of both republics' border guards, and the chairmen of the executive committees of the rayon soviets in contiguous areas of Armenia and Azerbaijan.

In order to ensure public safety in the border zone, the Armenian and Azerbaijani official representatives unanimously agreed on the need to set up joint guard posts. They also agreed on a regular exchange of information on measures being taken by either side. They considered the blockade on gas supplies to Armenia via the pipeline through Azerbaijan and agreed that it would be lifted in one day. Leaders of the border rayons will consider hostage exchanges.

Azerbaijan Charged With Breaking Cease-Fire

LD2903141592 Moscow ITAR-TASS in English 1403 GMT 29 Mar 92

[Report by ARMENPRESS-TASS correspondent]

[Text] Yerevan March 29 TASS—"Azerbaijan has violated the ceasefire agreement. It resumed shelling and straffing with rockets all large populated localities in Karabakh. Civilian aircraft come under fire. People are killed," says a statement of the press centre of the Nagorno-Karabakh Supreme Council issued on Sunday [29 March]. The statement says that an offensive was launched on outskirts of Stepanakert.

"In this situation a long-term truce is out of question," the statement says. "The Azeri leaders bear the entire responsibility for the further escalation of hostilities."

Nagorno-Karabakh Reports Stepanakert Shelling

LD3103114192 Moscow ITAR-TASS in English 1105 GMT 31 Mar 92

[Excerpt] Moscow March 31 ITAR-TASS—Guns on tanks and other armoured vehicles were fired at Stepanakert (Khankendi) this morning, wounding three people and destroying ten houses, ITAR-TASS learned by telephone from a spokesman for the defense committee set up at the Council of Ministers of Nagorno-Karabakh republic last week. Armenian self-defense forces have returned the shelling that came from the direction of the Azeri village of Shusha.

The defense committee is worried about the concentration of Azeri armed units near the district centre of Martuni. Azeris have started defusing mines at the approaches to the district centre, which according to Serge Sarkisyan, the committee chairman, presages a large-scale offensive action.

According to the Nagorno-Karabakh interior affairs department, two people were killed and four injured, including a three-year-old child, as a result of the shelling of the Armenian population centres on Monday [30 March].

Despite the tense situation, hostages and prisoners of war are being exchanged on the border between Askeran and Agdam districts. Ten people were exchanged on Monday. [passage omitted]

Security Council Meets, Discusses Situation

NC3103121592 Yerevan Radio Yerevan Network in Armenian 1830 GMT 30 Mar 92

[Text] The Armenian Republic Security Council met under President Levon Ter-Petrosyan.

Gagik Arutyunyan, vice president and prime minister, delivered a report on the economic situation, telling the meeting that because of the blockade on the republic and on certain goods, hundreds of rail cars loaded with nearly 35,000 tons of gasoline, 45,000 tons of diesel fuel, and a (?substantial) amount of foodstuffs destined for Armenia have now accumulated on Azerbaijani railways. Gigantic government efforts are keeping essential services running and providing social services with minimum power.

Discussing Armenia's foreign debt, the Security Council proposed further scrutinizing the archives of the former Soviet Union.

The council also dealt with foreign affairs, discussing the regulations on arrivals and departures from the republic and the procedure enabling Armenian citizens to hold foreign passports. The Armenian Government instructed the relevant departments to prepare proposals soon.

The Armenian Security Council also heard a report from Ashot Manucharyan, the president's chief national security adviser, on Iran's mediation mission.

The council endorsed in principle Iran's efforts to start political talks with Azerbaijan, but the elected representatives of Nagorno-Karabakh's administrative bodies must take part in these talks.

The council also discussed the republic's political life.

Further Reportage on Syrian Official's Visit

Agreements Signed

NC3003184592 Yerevan Radio Yerevan Network in Armenian 1500 GMT 30 Mar 92

[Report by Anahit Gevorgyan]

[Text] Armenian Foreign Minister Raffi Hovannisian received the Syrian Arab Republic delegation led by the Foreign Minister Faruq al-Shar' noon today at the state guest house.

Following nearly one hour of talks, agreements were signed in the trade, economic, and cultural spheres. A protocol stipulating that the Armenian and Syrian Foreign Ministries will hold permanent consultations was also signed.

During the talks, the Armenian side explained the situation in Nagorno-Karabakh and the official Armenian position on the peaceful resolution of that problem.

The Syrian side voiced its support for a peaceful resolution of the problem.

The foreign ministers issued a joint declaration following the talks. Raffi Hovannisian made a statement.

[Begin Hovannisian recording] [words indistinct] Our friendship will continue and deepen further and we will develop our relations in all fields of cooperation. [words indistinct] The Syrian foreign minister is not only my close colleague and a skilled diplomat but is an advocate of truth, and wherever he goes he speaks of justice and truth. We are very pleased that he is now better informed about the Karabakh problem and [words indistinct].

During his statements and talks with us, Minister al-Shar' conveyed Syria's and the Arab world's conviction that the Karabakh problem has no religious overtones; it is simply a problem of human rights and self-determination. These two principles are fundamental principles for Syria and the Arab countries. This type of attitude was well received in Nagorno-Karabakh. [words indistinct] Syria will approach the Nagorno-Karabakh issue as an impartial state which will do everything it can to restore peace to this suffering region. Armenia totally refutes and rejects those who attempt to portray Syria as biased vis-a-vis the issue, particularly the Azerbaijani claims that Syria is allegedly trying to [word indistinct] the Armenians and Nagorno-Karabakh. [words indistinct] Armenia and Azerbaijan are a part of our common Middle Eastern home. We would welcome more active participation of the representative of that [word indistinct] of our common home in the solution of Karabakh problem. [end recording]

The foreign minister of the Syrian Arab Republic, Faruq al-Shar', spoke next.

[Begin al-Shar recording, in Arabic with superimposed Armenian translation] I express my deep thanks to the Armenian president, Government, and people for the warm reception accorded us. I again congratulate the Armenian people for having gained their independence, which will begin the path toward a bright future. The signing of the three agreements today is the best confirmation of the increasing ties and development between our two republics. The talks enabled us to obtain a better picture of the Nagorno-Karabakh problem, our views became clearer on this enigmatic problem. I agree with my colleague, Raffi Hovannisian, that the Karabakh problem should be solved through talks, peacefully. I think that visits will continue in the future for the interest of our two peoples' friendship and cooperation. [end recording]

After the talks, a news conference was held and the foreign ministers replied to reporters' questions.

Comments on Armenia's Role

LD3103040692 Moscow Radio Rossii Network in Russian 0000 GMT 31 Mar 92

[Text] We have already reported that Faruq al-Shar', Syrian minister of foreign affairs, has been visiting Armenia. He held talks with the republican leadership on Nagorno-Karabakh and noted that Syria remains neutral with respect to this problem. However, he refuted Azerbaijani claims that Armenia is playing the same role in the Caucasus as Israel plays in the Middle East.

Diplomatic Relations Established With Cuba

NC3003200592 Yerevan ARMENPRES International Service in Armenian 1215 GMT 30 Mar 92

[Statement issued by the Armenian Government's press service in Yerevan; date not given]

[Text] Armenia and Cuba signed a protocol establishing diplomatic relations and agreeing on cooperation between their Foreign Ministries. The agreement was signed at Armenia's government reception house on 27 March by Armenian Deputy Foreign Minister Arman Navasardyan and Alsibiades Hidalgo Basulton, first deputy foreign minister of Cuba [name and title as received].

In speaking to the press, the Cuban representative described the signing of the protocol as a historic event.

Azerbaijan

Officer Informs Shaposhnikov of Right to Arms

LD3003135392 Moscow ITAR-TASS World Service in Russian 1310 GMT 30 Mar 92

[By AZERINFORM correspondent Sabir Mirzoyev]

[Text] Baku, 30 Mar (ITAR-TASS)—"Azerbaijan has a legal right to the weapons and equipment on its territory," Major General Vladimir Timoshenko, a member of the National Council of the Azerbaijani Supreme

Soviet, stated in an address to Yevgeniy Shaposhnikov, commander in chief of the CIS united armed forces. The address was distributed today by the AZERINFORM Agency.

Neither the leadership of Azerbaijan nor its people, the general considers, has ever advocated the creation of a military power or a military solution to the Karabakh conflict. In resolving the issues of the withdrawal of CIS Armed Forces from Azerbaijan, it is necessary, General Timoshenko notes, to demonstrate fairness and to take into account the wishes of the republic's leadership and of its people.

Iran Issues Cease-Fire Extension Declaration

LD2703213492 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1930 GMT 27 Mar 92

[Text] In a statement issued on 27 March, the Islamic Republic of Iran's mediation delegation charged with resolving the Karabakh dispute announced that Baku and Yerevan have agreed to extend Iran's proposed cease-fire in Karabakh. In the statement, the Iranian mediation delegation thank all parties in the capitals of the Republics of Azerbaijan and Armenia and the Karabakh region for their cooperation in establishing and maintaining the cease-fire as the first step in the realization of the objectives specified by the Tehran trilateral meeting. The statement goes on to stress the following:

1. In order to arrange a meeting to follow up the Tehran declaration, based on the Islamic Republic of Iran's proposal aimed at resolving the dispute, the parties concerned have agreed to send their special envoys.

2. The parties concerned have informed the Islamic Republic of their agreement to extend the cease-fire until the final declaration of the forthcoming summit session is issued.

3. In view of the urgent need of the residents and the homeless people of Karabakh for immediate food and medicine aid, and on the basis of the protagonists' demand and consent, all relevant international organizations have been urged to fulfill their humanitarian duties in this regard as soon as possible. To this end, the Government of Azerbaijan has given its consent to the use of that republic's railways to transfer the dispatched aid.

Iranian Deputy Foreign Minister Begins Visit

Previews Visit

LD3003120592 Moscow Russian Television Network in Russian 1000 GMT 30 Mar 92

[Text] A multilateral meeting dealing with the Nagorno-Karabakh situation, in which Azerbaijan, Armenia, representatives of Nagorno-Karabakh, and also Iran and Russia will take part, is to be held sometime this week on the Armenian-Azerbaijan border.

AFP reports this from Teheran, citing Iranian [Deputy] Foreign Minister Mahmud Va'ezi. According to him, if the conference succeeds, it will be followed by a summit meeting of the leaders of Azerbaijan and Armenia, at which they may sign an agreement on a lasting peace.

Arrival Reported

NC3003194792 Baku Radio Baku Network in Azeri 1700 GMT 30 Mar 92

[Text] The second stage of the Islamic Republic of Iran's mediation effort to calm the dispute between Armenia and Azerbaijan has begun. An Iranian delegation headed by Mahmud Va'ezi, Iranian deputy minister of foreign affairs, arrived in Baku from Tehran on a special flight late last night. The responsible functionaries of the Azerbaijani Ministry of Foreign Affairs and the Iranian ambassador in Baku met the guests at the airport.

Va'ezi replied to reporters' questions at the airport. He said: We hope that the views we considered during the first stage of our mediation effort will be put into effect. We will strengthen the work of the committees that have been established for (?the negotiations). [passage indistinct]

Va'ezi concluded: We hope that the two sides will do whatever they can to end the fighting.

Mamedov Receives Va'ezi

LD3003193892 Moscow ITAR-TASS World Service in Russian 1737 GMT 30 Mar 92

[By AZERINFORM correspondent Mikail Kerimov - TASS]

[Text] Baku, 30 Mar (ITAR-TASS)—Azerbaijan Supreme Soviet Chairman Yakub Mamedov today received a delegation from the Islamic Republic of Iran headed by Deputy Foreign Minister Mahmud Va'ezi, which is on a mediation mission concerning the situation in Nagorno-Karabakh.

Mahmud Va'ezi said: "The Iranian side is ready to do everything it can to halt the bloodshed between Azerbaijan and Armenia. We have proposed that representatives of Russia should be involved in settling the conflict."

In his view, the first thing needed for a settlement of the conflict is a mechanism to monitor compliance with the cease-fire provisions. Iran intends to send its own observers to Agdam, Shusha, and border areas of Azerbaijan and Armenia in order to ensure success for its mediating mission and to obtain reliable information. He also said that the Iranian side is prepared, through the Red Cross, to be an intermediary in the exchange of hostages.

In reply, Yakub Mamedov reiterated Azerbaijan's desire for a settlement of the conflict through peaceful, political means. He said: "In this, we are counting on the active efforts of Iran and of international organizations engaged on mediating missions."

Further on Meeting

NC3003204392 Baku Radio Baku Network in Azeri 1900 GMT 30 Mar 92

[Text] Azerbaijani Supreme Soviet Chairman Yakub Mamedov received the Iranian delegation headed by Mahmud Va'ezi on 30 March. Iran has agreed to mediate a cease-fire agreement between Azerbaijan and Armenia. The meeting focused mainly on the situation in Karabakh and Azerbaijan's border regions with Armenia. Va'ezi noted that the main objective behind the imposition of a cease-fire is to pave the ground for bilateral negotiations, the main issues of which will be a hostage release and the return of refugees to their homes.

Mamedov said that the dispute can only be resolved through a peaceful solution.

Prime Minister Gasan Gasanov, Defense Minister Ragim Gaziyev, Namik Akhundov, director of the Azerbaijani Supreme Soviet International Relations Department, and the Iranian ambassador in Baku attended the meeting.

Iran Ready To Send Observers

LD3103102392 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 31 Mar 92

[Text] Azerbaijan announced again that it would like to solve the Karabakh dispute through talks. Yakub Mamedov, speaker of Azarbaijan's parliament, announced this when he met the mediation team of the Islamic Republic of Iran.

Mr. Va'ezi, the Islamic Republic of Iran's deputy foreign minister for the United States and Europe, who is heading Iran's mediation team, asked at this meeting that priority be given to drawing up a plan for a cease-fire. He explained that Iran is ready to dispatch its observers to the regions of conflict and the border regions between Armenia and Azerbaijan.

Defense Ministry Denies Reports on Offensive

LD3003191992 Moscow Russian Television Network in Russian 1600 GMT 30 Mar 92

[From the "Vesti" newscast]

[Text] I am not commenting on reports by ITAR-TASS and INTERFAX, but I report that according to these agencies, Azerbaijani detachments last night attacked the suburbs of Stepanakert, but were repelled and sustained heavy losses.

The Azerbaijan Ministry of National Security and Defense denies this report and states that, as there are now real hopes of finding a settlement of this conflict and as the Armenian side is militarily superior, it would have been unwise and illogical for Azerbaijani detachments to start an offensive. According to reports from Baku, these detachments are now defending Azerbaijani villages in Agdamskiy Rayon and the towns of Agdam and Shusha.

Armenians Seize Settlement; Casualties Noted

LD3103093892 Moscow ITAR-TASS in English 0910 GMT 31 Mar 92

[By AZERINFORM-TASS correspondent Sabir Mirzoyev]

[Text] Baku March 31 TASS—Armed Armenians supported by two tanks and six armoured vehicles seized the settlement of Goga in the Fizuli region of Azerbaijan on Tuesday night [as received], according to the Department for Karabakh of the Azerbaijani Interior Ministry. Casualties were reported. The settlement was completely occupied by Armenians by 06.00 hours local time on Tuesday [31 March].

The regional Azeri centre of Fizuli was shelled by "Cristall"- type rockets on Tuesday morning and suffered considerable damage, the department said.

Armenian Forces Down Mi-24A Helicopter

LD2903185392 Moscow Mayak Radio Network in Russian 1800 GMT 29 Mar 92

[Text] According to unconfirmed reports, an Mi-24A helicopter, known as Krokodil, was shot down by Armenian self-defense forces today near the Armenian village of Kadzhevan in Mardakert Rayon, which came under air attack Saturday [28 March] from three military helicopters.

According to eyewitness testimony, the helicopter caught fire, NURS [free flight] missiles started bursting out of it. It fell beyond the confines of the rayon. There are no other details.

Armed Units Seize Rockets From Division

LD2803173592 Moscow POSTFACTUM in English 1143 GMT 28 Mar 92

[From the "Military News" section]

[Text] Moscow—Azerbaijani armed units have been keeping for a week the rockets seized from the anti-aircraft-rocketry division near Mingechaur. These rockets are meant for firing at ground targets. PF [POSTFACTUM] learnt from the main staff of anti-aircraft troops that more than 120 fighters of self-defense armed units, threatening to use arms and to seize families of servicemen of the anti-aircraft-rocketry division, compelled officers to fold anti-aircraft-rocketry complexes. Taking three officers hostages, they drove a convoy of military equipment towards Nagorno-Karabakh. The hostages were released in two days. According to the information from the main staff of anti-aircraft troops, after negotiations of the command of anti-aircraft forces with representatives of local authorities, acting President of Azerbaijan Yagub Mamedov and Defense Minister Rakhim Gaziyev ordered self-defense units to return the military equipment and arms. But according to the information for March 27, the command of Azeri self-defense armed units refuses to return them.

Mamedov Appeals to Social Groups, Parties

NC3103144092 Baku Radio Baku Network in Azeri 1900 GMT 30 Mar 92

[Text] Yakub Mamedov, chairman of the Azerbaijan Supreme Soviet, has appealed to the Republic's social organizations, movements, and political parties as follows:

In accordance with the 25 March decision of the Azerbaijan Supreme Soviet regarding presidential elections, the elections will be held on Sunday, 7 June 1992. In view of this, it has been decided that, in accordance with the law governing Azerbaijani presidential elections, the authority transferred to the Central Election Committee for the presidential elections be [words indistinct] the Central Election Committee for the elections held for the deputies of the 12th convocation of the Azerbaijan Supreme Soviet and changes be made in this committee to provide for the better representation of social organizations, movements, and political parties within its framework.

In accordance with Articles 20 and 27 of the Law on the Election of the Republic's Deputies, the changes in the structure of the central election committee are realized in light of proposals made by the republic-level organs of social organizations. The Republic's social organizations, movements, and political parties are urged to submit their proposals to the Azerbaijan Supreme Soviet by 6 April.

Pro-Aliyev Rally Held in Nakhichevan

NC2803101392 Baku Radio Baku Network in Azeri 1800 GMT 27 Mar 92

[Text] The Azerbaijan Popular Front Information Center has reported that a rally was organized by the (Sumral Atek) trade union organization in front of the building which houses the Nakhichevan Autonomous Republic [NAR] Supreme Assembly in Nakhichevan on 27 March. The participants called for Gaydar Aliyev, chairman of the NAR Supreme Assembly, to be appointed leader of Azerbaijan.

Popular Front Assembly Meeting Held 27 Mar

NC2803101492 Baku Radio Baku Network in Azeri 1800 GMT 27 Mar 92

[Text] The Azerbaijani Popular Front Assembly convened today. Arif Gadzhiyev, people's deputy and head of the Azerbaijan Popular Front Assembly, chaired the meeting. The meeting examined the outcome of the Azerbaijan Supreme Soviet extraordinary session, the outcome of the talks held between the leaders of the Azerbaijani Popular Front and the republic's leaders prior to the extraordinary session, the existing political situation in Azerbaijan, and the tasks facing the Azerbaijani Popular Front. The implementation of the decisions adopted by the Azerbaijani Popular Front Assembly's extraordinary session in Agdam on 17 March calling for the withdrawal of the Azerbaijani Popular Front deputies from the Azerbaijani Supreme Soviet National Council and other matters were also examined.

Turkish Cultural Adviser Visits Nakhichevan

NC3103142092 Baku Radio Baku Network in Azeri 1900 GMT 30 Mar 92

[Text] Namik Kemal Zeybek, cultural adviser to the Turkish prime minister, has visited Nakhichevan and met with Geydar Aliyev, chairman of the Nakhichevan Supreme Assembly, and representatives of social organizations. Zeybek, currently in Baku, will also visit Turkmenistan, Kyrgyzstan, Tajikistan, Uzbekistan, and Kazakhstan.

Turkish Ambassador Discusses Karabakh Dispute

NC3003204892 Baku Radio Baku Network in Azeri 1900 GMT 30 Mar 92

[Text] Volkan Vural, Turkey's ambassador extraordinary and plenipotentiary in the Russian Federation, has replied to questions asked by an AZERINFORM correspondent on the situation in and around the mountainous region in Karabakh. Amb. Vural said: Turkey regards the mountainous region in Karabakh as an inseparable part of Azerbaijan. In view of this, it believes that that province must remain within Azerbaijani jurisdiction.

Vural also said that Turkey believes that a peaceful solution must be found to the dispute and noted that Ankara supports every effort to rectify the situation in the region.

Turkey will be pleased if the Iranian mediation is successful. Iran may be accused of supporting one of the sides to the problem. Turkey has already made it known that the Turks are inclined toward the Azerbaijanis. There is no difference of opinion in Turkey on the Karabakh problem. The fact that Turkey woke up the world on the Karabakh dispute cannot be denied. If the world has focused its attention on Karabakh, it is only through Turkey's effort.

Georgia

Gamsakhurdia Supporters Retreat Toward Zugdidi

LD3103085792 Moscow ITAR-TASS in English 0848 GMT 31 Mar 92

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi, March 31 TASS—Armed supporters of ousted President Zviad Gamsakhurdia unblocked highways in western Georgia on Tuesday [31 March] night and are retreatintg towards the city of Zugdidi. The governmental troops in the region which were reenforced by additional units on Monday [30 March] are encountering no armed resistence.

Order and law will be reinstated in western Georgia in three days, deputy chairman of the Georgian State Council Djaba Ioseliani told TASS on Tuesday. "Those who will impede stabilisation, engage in sabotage and subversive activities will be liable to severe punishment", he warned.

Military Commanders Comment on Unrest

LD3003174492 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1400 GMT 30 Mar 92

[Report by correspondent N. Gongadze; from the "Novosti" newscast]

[Text] [Gongadze] It would seem that the conflict of the resistance campaign in Zugdidi had been settled and the rebels' conditions accepted. Eduard Shevardnadze left for Gori where he was awaited by refugees from Tskhinvali. There are over 55,000 displaced persons in this district of Georgia alone. A report has come in that armed detachments of the supporters of ex-president Gamsakhurdia, having violated the treaty, have occupied six population centers. The railroads and highways are still blocked. The republic is suffering losses of 6 billion rubles. The State Council has decided that units of the National Guard, the Internal Troops and Mkhedrioni military formations are to urgently restore order, get rail traffic moving again and ensure the safety of the civilian population.

[Begin recording] [G.Lanchava, commander of Internal Troops] We are the ones in charge. Gamsakhurdia's supporters are just a battalion. I just do not understand what they want. If they want Georgia to be free, then it is already 99 percent a free country.

[Unidentified civilian] There will be talks. [passage indistinct] We hope they will surrender their arms and return to their homes.

[T. Kitovani, National Guard commander and State Council member] We just want to restore peace. [end recording]

[Gongadze] The ultimatum expires at 1200 tonight. Unless traffic is reopened and arms are surrendered special measures will be taken against the rebels. Naturally, the supporters of Gamsakhurdia will bear responsibility for the consequences.

Abkhazia To Refuse Gamsakhurdia Supporters

LD3103103192 Moscow ITAR-TASS in English 1019 GMT 31 Mar 92

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi, March 31 TASS—Georgia is convinced that the leadership of Abkhazia (a republic inside Georgia) will "not allow the armed detachments of adventurists and saboteurs to hide on" its territory, the Georgian State Council said in a statement on Tuesday [31 March], clearly referring to supporters of ousted President Zviad Gamsakhurdia.

Abkhazia confirmed it would not let the armed groups into its territory. Beslan Bargandjiya, spokesman for the Abkhazian parliament, told TASS on Tuesday the leadership of the autonomous republic will take all measures to prevent any illegal armed group or a citizen with unauthorised weapons from penetrating into Abkhazia.

'Lull' in Fighting Over Past 24 Hours Noted

LD3103112192 Moscow ITAR-TASS in English 1052 GMT 31 Mar 92

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, March 31 TASS—There has been a relative lull in South Ossetia during the last twenty-four hours. No local armed conflicts, hostages or gunfire were registered in the outer reaches of Tskhinvali or along the border of the neighbouring district of Gori in Georgia, according to a spokesman for the Republican Interior Ministry.

Oleg Teziyev, chairman of the Council of Ministers of the South Ossetian Republic, considers this fragile lull to be the result of contacts established between the leadership of North and South Ossetia, on the one hand, and the State Council and the interim Government of Georgia, on the other.

The socio-economic situation in Tskhinvali remains tense. The Georgian side is still exerting control over all roads leading to the administrative center and there is an acute shortage of food products and medicines. However, a motor transport column accompanied by armoured cars and troops arrived in Tskhinvali today from North Ossetia delivering food products, flour and other staples. The trans-Caucasian motor-road is now functioning at full capacity, enabling the transport of humanitarian aid rendered to inhabitants of the region by the Russian Government from Vladikavkaz to South Ossetia.

South Ossetia Reacts Postively to Talks Plan

LD3003183992 Moscow Programma Radio Odin Network in Russian 1500 GMT 30 Mar 92

[Text] Last night was relatively calm on the territory of South Ossetia. This is due to positive developments which have been taking place in Georgia since Shevardnadze returned there. South Ossetia has reacted positively to reports that talks are being prepared between the Ossetian side and the plenipotentiary representatives of the provisional Georgian Government on the establishment of peace and order in the region. These talks are due to take place in Vladikavkaz. Shevardnadze has agreed to take part in the meeting.

Rail, Road Blockades Damage Reported

LD3003213192 Moscow Radio Rossii Network in Russian 2000 GMT 30 Mar 92

[Text] Rail and road blockades in Georgia have caused damage worth 6 billion rubles. This was reported by the RIKA Agency: Tengiz Kitovani reported. Incidentally he called on the Zviadists to surrender arms by midnight—that is today—to surrender their arms by the time the ultimatum of the provisional government expires.

In the meantime, according to reports by the SNARK Agency, on 31 March—Gamsakhurdia's birthday—the Zviadists plan to march on the town of Kutaisi, which they wish to make the capital of Georgia.

Gamsakhurdia Forces Have 'No Chance' in Combat

PM3003201192 Moscow IZVESTIYA in Russian 31 Mar 92 Morning Edition p 1

[Besik Urigashvili report: "Gamsakhurdia's Supporters Seize Number of Cities. Tbilisi Issues Ultimatum to Zviad's Armed Formations"]

[Excerpt] [passage omitted] An intensive transfer of State Council armed forces to West Georgia began in the morning of 30 March. According to the latest reports, armed formations loyal to Gamsakhurdia have fortified their positions between the cities of Abasha and Samtredia, a few dozen kilometers from the city of Kutaisi. According to [Georgian State Council member] Tengiz Kitovani, the government forces will try to avoid bloodshed, but if it nevertheless comes to an armed clash the opposing side has no chance whatsoever. The only thing they will achieve, Kitovani said, is the death of duped people. The instigators from Groznyy will be entirely responsible for this blood, he added.

Gamsakhurdia Asks Ukraine To Examine Situation

LD2803122192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2100 GMT 27 Mar 92

[From the "Novosti" newscast]

[Text] Deposed Georgian President Gamsakhurdia is not only appealing to his supporters in Georgia, but according to a KHARKOV NEWS AGENCY report he is also asking the Ukrainian parliament to look into what is happening in Georgia. What is particularly involved is Gamsakhurdia's appeal to the Ukrainian parliament with a request to set up a special commission to investigate what Gamsakhurdia calls the military coup in Tbilisi.

Commission Created on Military Hardware Transfer

AU3103091892 Tbilisi Radio Tbilisi Network in Georgian 0200 GMT 31 Mar 92

[Text] The Republic of Georgia Cabinet of Ministers has adopted a resolution on the creation of a government commission to organize the appropriate inventory of military equipment and property belonging to military units and establishments of the Transcaucasian Military District located on the republic's territory that will be transferred, in the future, to the National Guard, ministries, associations, concerns, cooperatives, and also farms and private individuals.

The newly created government commission has been entrusted with discussing the question of the transfer or sale of equipment, weapons, property, barracks, and other housing stock and also factories, workshops, bases, warehouses, ranges, and airfields to the National Guard, ministries, departments, enterprises, concerns, associations, and also farms and private persons in accordance with the corresponding list received from the Trancaucasian Military District.

Foreign Policy Association President Resigns

LD2803113892 Moscow Radio Rossii Network in Russian 1000 GMT 28 Mar 92

[Text] Eduard Shervardnadze, the former foreign minister and now chairman of Georgia's State Council, has resigned the post of president of the Foreign Policy Association. This was reported today at a conference of this Associaton in Moscow.

It was set up in 1991 and its aim is to conduct research on international and regional problems. In the corridors of the conference of the Foreign Policy Association Aleksandr Bessmertnykh is being named as Shevardnadze's successor in the post of its president, INTERFAX reports. Before last year's August putsch, Bessmertnykh headed the Union foreign policy department.

Estonia

Prime Minister Insists on Withdrawal in 1992

LD3003112192 Moscow TASS-ITAR World Service in Russian 0915 GMT 30 Mar 92

[By ITAR-TASS correspondent Dmitriy Gorokhov]

[Excerpt] Stockholm, 30 March (TASS)—The Estonian Government will not agree to an extension of the stay of the former Soviet troops on the country's territory, Estonia's Prime Minister Tiit Vahi stated to a correspondent of DAGENS NYHETER on the eve of his visit to Sweden.

In the interview published by the Stockholm newspaper today, he reported that a proposal was received in Tallinn from the Russian Embassy according to which the sides should entrust international observers with monitoring the withdrawal of troops until the year 2000. "From this address, we drew the conclusion that they want to remain until the year 2000. Under no circumstances will we agree to this," the prime minister said.

As the newspaper notes, the number of servicemen of the former USSR stationed in the republic has by now already been halved—from 50,000 to approximately 25,000. The Estonian Government demands that they leave the country's territory before the end of this year.

The authorities in Tallinn are especially worried by the nuclear reactor at the military base in Paldiski. "We requested NATO's assistance in removing the reactor from the country and delivering it to Russia. I discussed this problem with NATO Secretary General Manfred Woerner and he has promised to study the prerequisites existing for this," the prime minister pointed out.

In reply to a question as to whether there are nuclear weapons on Estonian territory, Tiit Vahi said: "I have no proof that this is the case, but a number of reports testifies to such a possibility. We know at the same time that there are chemical weapons here. All these weapons must be removed." [passage omitted]

Defense Force To Buy Weapons From Russia

LD3003180992 Tallinn Estonian Radio in English 1520 GMT 30 Mar 92

[Text] Weapons necessary for the Estonian Defense Forces are to be purchased from Russia. Last week, the Estonian Minister of Finance, Mr. Rein Miller, said that 40 million rubles had been allocated for Estonian defense purposes. This money was spent on cartridges, grenades, pistols, and machine guns. Also, two armored cars are to be bought for the (Kalag) and (Kuprianov) battalions. According to the acting commander of the General Staff of the Estonian Defense Forces, Mr. Ants Laaneots, the present armament is not enough for the battalions. He's advised that [words indistinct] should also be issued as infantry equipment. At present, the (Kalag) and (Kuprianov) battalions are stationed in temporary bases. After the Russian Army has left Estonia, their abandoned military bases are to be taken over.

Military Unit Stationed in Viliandi Departs

OW2703193792 Moscow BALTFAX in English 1850 GMT 27 Mar 92

[Transmitted via KYODO]

[Text] A column of combat technology of the Commonwealth Armed Forces stationed in Viliandi (southern Estonia) left Estonian territory Friday [27 March], the head of the border department of Estonia Edgar Aaro told "BALTFAX". He said "a column of 50-60 vehicles left the military city and crossed the border, leaving Estonian territory at 8:10". Estonian authorities said the Commonwealth soldiers violated a resolution by the Estonian Supreme Soviet requiring prior notification of intentions to cross the border.

The head of the Border Control Department Aare Evisalu said that the duty officer of the battalion assured local authorities that not a single vehicle had left the unit.

The same day, the deputy commander of the battalion in Viljandi Lieutenant Colonel Titarev told local authorities that military exercises had been conducted during the night and all vehicles returned to the base.

However, the Estonian authorities maintain that the column passed through the city of Pechory in the Pskov district.

Passport Office Ready for Citizenship Requests

OW3003184792 Moscow BALTFAX in English 1745 GMT 30 Mar 92

[Transmitted via KYODO]

[Text] Beginning Monday [30 March], foreign citizens residing in Estonia since March 30, 1990 are entitled to apply for Estonian citizenship, the General Director of the Passport Department Linnar Liivamagi told "BALTFAX".

Individuals seeking naturalization must, in addition to a statement, present a copy of certification of knowledge of the national language, a copy of their diploma, an income statement, and an income tax statement. At the same time the Estonian Supreme Soviet has not passed a law on the need to know the language to attain citizenship.

The Director of the department said no requests for citizenship were received.

The Russian Embassy in Tallinn has received nearly 6000 requests for Russian citizenship.

Bank Official Cited on Cash Problems

LD3103123392 Tallinn Estonian Radio in English 1520 GMT 30 Mar 92

[Text] The Estonian cash situation will be improved this week as the promised R [ruble] 200 million from the Central Bank of Russia are to reach Estonia. In 1992 so far Estonia has received R331.5 million from the Central Bank. In comparison with last year, in January 1992 65 percent more cash was issued from the bank. In February almost three and a half times more cash was given out than came in, announced President of the Bank of Estonia Mr Siim Kallas. Raising the minimum salary from 400 rubles to 1,000 rubles brought a rise in the cash deficit from 10 percent to 35 percent and at present the cash debt is about R400 million. The Bank of Estonia, said Mr Kallas, has made every effort and taken numerous steps to alleviate the cash shortage. A major problem is caused by companies' payment difficulties. Many transfer to stock since enterprises are in a difficult economic situation and many firms have applied to the Bank of Estonia for credit which the Bank is not able to give. The introduction of the Estonian national currency, the kroon, will put an end to cash crisis but it will not (?recede) the firms' payment difficulties.

Republic 'on the Brink' of Bankruptcy

PM3103115392 Moscow ROSSIYSKAYA GAZETA in Russian 30 Mar 92 First Edition p 3

[Unattributed report: "Estonia: Dollars Auctioned"]

[Text] The Estonian Government has decided to sell $1 million at the next foreign-currency auctions. The funds raised from the sale will be used to cover the money shortage which has affected Estonia for a long time. Deputy Finance Minister (Enn Roose) admitted that the republic is on the brink of bankruptcy. There is a shortage of 5-7 billion rubles. The republic will need $50-70 million to get the economy and its finances out of this dead end.

Latvia

Foreign Minister Cited on Meeting With CSCE

OW2703193992 Moscow BALTFAX in English 1850 GMT 27 Mar 92

[Transmitted via KYODO]

[Text] Latvian Minister of Foreign Affairs Janis Jurkans said upon his return Friday [27 March] from a meeting of the ministers of foreign affairs of CSCE [Conference on Security and Cooperation in Europe] nations in Helsinki, that representatives of the Baltic countries support the proposal to create an institution within the CSCE to protect ethnic minorities. Representatives of Russia and Poland had presented the idea of creating such an organ at the last session of the CSCE.

Jurkans said at the meeting in Helsinki Latvia supported the creation of an institution in the framework of the CSCE to control the withdrawal of foreign military forces from Baltic nations.

NATO Cannot Monitor Troops Withdrawal

OW3103142092 Moscow BALTFAX in English 1204 GMT 31 Mar 92

[Transmitted via KYODO]

[Text] After visiting the NATO Headquarters in Brussels the secretary of the Latvian parliamentary commission on internal affairs and defense Mikhail Stepichev and a member of the commission Juris Dobelis told BF [BALTFAX] that the withdrawal of Soviet troops from Latvia could have been monitored by U.N. Security Council observers. NATO cannot deal with this question since agreement of all 16 member-states is needed.

The two men said that NATO representatives believe Latvia should first sign treaty with Russia on the withdrawal of troops and set its deadline and timetable. Only after such a treaty is signed, international observers can be sent to Latvia for controlling the withdrawal. Dobelis said that the withdrawal should be completed by late 1993.

Mutual Goods Concessions Agreed With Russia

LD3103125792 Moscow POSTFACTUM in English 1859 GMT 30 Mar 92

[From the "Domestic Market" section]

[Text] Riga—The Latvian Republic and Russian Federation have agreed on mutual concessions in goods exchange settlements. PF [POSTFACTUM] was told on March 30 at the press center of the Latvian External Trade Ministry that, during the visit to Latvia by a delegation from the Russian Ministry of Trade and Material Resources, headed by Deputy Minister Nikolay Konovalov, which concluded on March 25, an agreement was reached to the effect that settlements on mutual goods deliveries in 1992 will be conducted in rubles at world prices, at the rate of exchange R35 against US 1 [dollar].

The Latvian side agreed to lower prices for several foodstuffs supplied to Russia. Meat, for instance, will cost 1,300 instead of 1,661 per ton [as received], milk—132 instead of 339 per ton. The Russian Federation, in its turn, changed the prices for its fuel. One ton of automobile gasoline, for instance, will cost 130 instead of the earlier planned 230. The overall mutual deliveries are estimated at 254 bln [billion] in 1992. It has been fixed that prices for certain commodities will be determined under direct agreements between enterprises.

Government Considers Economic Emergency

LD2903034992 Riga Radio Riga International in Latvian 2030 GMT 27 Mar 92

[Text] The Latvian Government's plan for urgent measures to stabilize the economy, which has just been submitted to the Supreme Council, envisions the possibility of introducing a state of emergency in the Latvian economy. In such an event, the government will request that parliament grant it additional authority until the crisis situation stabilizes. The plan also envisages the formation of a government commission for an interbranch state of emergency operational administration which would take care of establishing a state reserve fund for the sowing and harvesting periods as well as for the winter of 1992-1993.

It is emphasized in the prepared program that a state of emergency could be requested if there is a sharp reduction or complete disruption of efforts to obtain energy, material-technical resources, or other goods necessary for the national economy. In the opinion of experts, under extreme conditions the contraction of production and the reduction of the volume of [words indistinct] in Latvia could range from 5 to even 100 percent.

Daily Newspaper ATMODA To Cease Publication

LD3003221592 Riga Radio Riga International in English 2030 GMT 30 Mar 92

[Text] The newspaper of the Popular Front ATMODA—AWAKENING—will stop being published as of tomorrow due to legal problems, according to the newspaper's editor-in-chief, Elize Veidemane.

Veidemane claims that the Front's leadership had not officially registered the newspaper at the Register of Enterprises of the Republic of Latvia by the deadline of 1 January this year. As a result, the bank is closing ATMODA's account.

Veidemane accused the Front's leaders of intentional delay with the paper's registration and its privatisation, which she said was a violation of the Front's fourth congress resolution concerning ATMODA.

Though ATMODA-ATPUTA, a leisure weekly published by ATMODA, will not cease coming out, according to Veidemane.

ATMODA was the first legal press publication in Latvia not controlled by the state.

Lithuania

Delegation on Russia's Failure To Withdraw

LD3003211992 Vilnius Radio Vilnius Network in Lithuanian 1015 GMT 27 Mar 92

[Interview with Lithuanian delegation to negotiations with Russia on army withdrawal—Supreme Soviet Deputy Chairman Ceslovas Stankevicius, head of the delegation; Aleksandras Abisala, head of the group of experts; and Defense Minister Audrius Butkevicius—by unidentified journalists; place and date not given—recorded]

[Excerpts] [Stankevicius] The Lithuanian delegation is working all the time, although negotiating meetings are very rare. But the Lithuanian delegation is indeed working, meetings take place not less than twice a week, and during the time that remains we work on the drafts of future agreements. We have accomplished a great deal. [passage omitted]

Two months have elapsed since the meeting between Mr. Landsbergis and Mr. Yeltsin. It was the first step in the examination of this problem, and we must say today that during these two months not a great deal has been achieved. The progress of the negotiations is quite unsatisfactory, in our opinion.

I would like to describe some concrete aspects, and comment on the situation from the point of view of the Lithuanian delegation. As I have already mentioned, in spite of repeated requests and urgings by Lithuania, Russia has so far failed to supply us with official information on the total number of its troops, the number of units and places of deployment, arms etc. [passage omitted]

The second point is that the Republic of Lithuania has signed the international convention on the nonproliferation of nuclear weapons, and is therefore obliged to ensure that there are no nuclear weapons on Lithuania's territory. It is important to us to have official confirmation by Russia that the Russian army has no such weapons on Lithuania's territory. So far we have not received any such confirmation.

We may say that the Russian Federation delegation is delaying negotiations on the dates and order of complete withdrawal of its army from Lithuania. We have the impression that the Russian delegation is aiming to legalize the longest possible stay of the army, and to divert the negotiations to secondary issues.

As I said, Lithuania has submitted draft agreements, and is proposing an agreed withdrawal of the army in 1992. Meanwhile, Russia has not submitted any specific proposals, and is on the whole evading examination of this issue. We can draw conclusions from official statements by the members of the Russian delegation—and from their press, television, and radio—that they intend to keep the former Soviet Army in Lithuania for many years, and at the same time preserve their military influence on Lithuania.

It seems to us that showing journalists 100 soldiers withdrawing does not mean the beginning of army withdrawal. [passage omitted] During the last two months, not a single important unit has been withdrawn from Lithuania, and there is no information about how many new soldiers have been brought in.

In spite of demands by Lithuania and promises by the Russian state delegation, Russian border troops have so far not been withdrawn from Lithuania's state border. Thus, they are crudely violating Lithuania's sovereignty, and are even forcibly preventing Lithuanian border units from protecting the state border. [passage omitted]

You already know that Russian President Yeltsin has signed a decree proclaiming that these troops are under Russia's jurisdiction, and this decree clearly defines the purpose of these troops—to protect the border of the Commonwealth of Independent States. Thus, this army should be returning to the CIS and discharging its duties. It should not be violating Lithuania's sovereignty and hampering the protection of the border. [passage omitted]

However, new troops are deliberately being brought in, the unsanctioned redeployment of troops is taking place, and the army is moving without permission along Lithuania's roads and in inhabited localities. It carries out deliberate acts on land and in Lithuania's territorial waters, crudely violates Lithuania's air space, and demonstrates its military might in other ways. These actions have become more frequent lately. You must have observed these actions yourselves.

Even I have personally experienced it. Thus at 1450 on 20 March, while returning from Prienai, I was compelled to stop on the road about 2-3 kilometers from Prienai because a column of light tanks was moving toward Prienai, advancing at a great speed and destroying asphalt. It was endangering traffic. This movement had not been coordinated with the Lithuanian authorities. And this happens almost every day. [passage omitted]

The Russian delegation refuses to consider any compensation for losses inflicted on the state, for damage to the property of inhabitants or to the Lithuanian countryside, and is putting off all discussion of this issue. These losses continue to be inflicted. Military units subordinated to Russia continue to inflict damage on the environment, on cultural monuments, and on roads. They are taking away and destroying Lithuanian property. A particular problem at present is that they will not return seized forests, land, and buildings which, according to the laws of the Republic of Lithuania, belong to the Republic, its citizens or juridical persons.

You understand that the illegal presence and behavior of the army hampers normal Lithuanian economic and civilian life, and we are already experiencing this. It has an especially negative influence on potential foreign investors, to say nothing of the fact that this constitutes a threat to Lithuania's independence and the security of its residents. Crimes by soldiers of the former Soviet army in Lithuania, and cases of illegally handing over of weapons to criminal elements, have become more frequent of late. [passage omitted]

A few days ago, we asked our acting charge d'affaires in Moscow to ask Mr. Isakov when the delegations could meet, and also about the notorious interview by Kotenkov—how it should be interpreted—and about a report that Mr. Isakov has been appointed head of the delegation for the negotiations with Lithuania. The reply on the prospects of the meeting of the delegations was vague, and Mr. Isakov let it be understood that such a meeting could not take place before the second half of April.

We are very concerned about a new decision to authorize the head of the group of experts to take over the functions of the negotiating delegation. We think that this is a tactical step which will complicate the negotiations, because the experts led by Mr. Isakov have stated more than once that they are not competent to decide on issues of principle. The fact that it may be more difficult to arrange meetings of the delegations does not make us more optimistic. [passage omitted]

[Butkevicius] I wish to give some examples. For the last 10 days, there has not been a single night in which Soviet soldiers were not caught on Lithuania's border carrying out of Lithuania building materials or gasoline, or attempting to remove the property of military units without written authorization. For instance, yesterday a freight car loaded with cement was stopped at the Kybartai border post. Soviet soldiers were trying to take this cement to Kaliningrad. [passage omitted]

I should also mention the unsanctioned sale of weapons and explosives both to civilians and to criminal groups. There is a possibility that criminal groups will continue to obtain arms, and this may increase instability and crime in Lithuania. [passage omitted]

[Announcer] The participants in the briefing also replied to journalists's questions.

Asked whether Russia's stand on army withdrawal could be justified by saying that the military have stated that they would not obey orders and that discipline in the units is poor, Ceslovas Stankevicius replied that when you do not wish to give orders, you state that orders are not being obeyed. Aleksandras Abisala added that high-ranking military leaders have stated more than once that if they received orders, they will withdraw their troops. As far as the construction of apartments is concerned, we have said that Lithuania is prepared to help with contract work. We have asked more than once how many apartments are needed, and where the work is to be carried out, but so far there has been no reply.

According to those giving this briefing, apartments will be needed for about 3,000 officers' families. This is not a problem either for Russia or for Lithuania.

Official Demands Total Withdrawal by Autumn

LD3003141692 Moscow ITAR-TASS in English 2100 GMT 29 Mar 92

[By ITAR-TASS correspondent Kazis Uscila]

[Text] Vilnius March 30 (TASS)—"Despite the agreements reached, not a single large unit was withdrawn from Lithuania and not a single soldier was withdrawn from Vilnius in the two months that have passed since the meeting of Vytautas Landsbergis and Boris Yeltsin", Ceslovas Stankiavicius, deputy chairman of the Lithuanian parliament, said on Lithuanian television on Sunday [29 March] evening.

Stankiavicius, who heads the Lithuanian delegation at the negotiations on withdrawal of the Army of the former Soviet Union, blamed the Russian delegation for the lack of the striving for progress at the talks. He claimed that "the army illegally staying in Lithuania flouts Lithuanian sovereignty and grossly violates Lithuanian laws".

"We demand that the entire Army be withdrawn by autumn, and that all troops be withdrawn from Vilnius this spring", Stankiavicius said.

Polish, Lithuanian Parliament Commissions Meet

LD3003192192 Warsaw TVP Television Network in Polish 1730 GMT 30 Mar 92

[No video available]

[Text] Polish and Lithuanian parliamentary commissions have met in Vilnius. After the meeting, Professor Bronislaw Geremek [chairman of the Sejm's Foreign Affairs Commission] said the countries are linked by common interests but the problem of the Polish minority in Lithuania will have to be solved in a clear-cut and unequivocal manner.

In the opinion of representatives of Lithuania's Supreme Council Foreign Commission, the situation is not bad. It is the information imparted about Lithuania in Poland and the biased opinion of the Polish press which are bad.

Polish public opinion is under the impression that Poles in Lithuania are discriminated against and the Poles in Lithuania also have the same feeling, answered Bronislaw Geremek.

The chairman of the Polish faction, Ryszard Maciejkianiec, said that the main problem is land. The way the Lithuania side is acting contravenes the Polish-Lithuanian declaration which speaks of not introducing nationality changes and refers to the Lithuanian law on the return of land.

The chairmen of the delegations were received by President Vytautas Landsbergis.

[Begin recording] [Geremek] We said that, at the moment, the fundamental thing is to remove the feeling of uncertainty and threat borne by Poles in Lithuania. We believe that two matters need to be regulated swiftly: the issue of elections in the two regions in which local Polish councils have been suspended, the two Polish regions, and ensuring that Poles can participate, fully and without discrimination, in the process of the reprivatization of land.

[Unidentified speaker] We have also appealed to the Polish minority asking that it carry out a certain psychological breakthrough, that it should feel itself here not as an alien ethnic group in the face of the new state but as part of that state. And they should undertake to try to cooperate with these authorities even though this is certainly extremely difficult today. [end recording]

Poles Seek Protection of Rights

LD3003151792 Warsaw PAP in English 2025 GMT 29 Mar 92

[Text] Vilnius, March 29—The Polish Union in Lithuania resolved on Sunday [29 March] to seek assistance of the International Court of Justice in The Hague in protecting their ethnic rights.

The Union said the decision of the Lithuanian authorities to develop Vilnius on the terrains populated mainly by Poles deprived them of the right to regain land which once belonged to their families.

The Polish Union also pointed out that there was nobody to defend Poles' interests in the regions of Vilnius and Salcininkai as elections to local councils dissolved after the abortive coup in Moscow last August had not been held yet.

The Union stated the decision of the Lithuanian Parliament to postpone the elections till autumn was "a serious violation of the rights of Polish minority."

In an interview for ITAR-TASS, leader of the Union Jan Mincewicz stated there was a growing threat that the only organisation which defended Polish interests in Lithuania, namely his union, might be also dissolved.

Great Britain Agrees To Return Gold

OW2703192992 Moscow BALTFAX in English 1850 GMT 27 Mar 92

[Transmitted via KYODO]

[Text] The Minister of Foreign Affairs of Lithuania Algirdas Saudargas and British Ambassador to Lithuania Michael John Pert exchanged notes Friday [27 March] and established that 1200 kilograms of gold which has been in Great Britain since 1940 will be returned to Lithuania. Both sides declared that they have no claims to each other's property.

The Chairman of the Bank of Lithuania Vilis Baldis said that the gold will be used to create a fund to stabilize the Lithuanian currency. The French government has already returned 2200 kilograms of gold.

Saudargas and Pert exchanged notes on travel between Great Britain and Lithuania without visas; citizens of both nations will be permitted to visit for up to six months.

As "BALTFAX" reported earlier, Great Britain returned 4.8 tons of gold, kept in the Bank of England since 1940, to Estonia Thursday.

Minister Implicated in Attack on Officers Club

PM3103113592 Moscow KRASNAYA ZVEZDA in Russian 31 Mar 92 p 3

[Captain Second Rank V. Gromak report under "Direct Line" rubric: "Officers' Club Smashed Up With Knowledge of Territorial Protection Minister. But He Has Placed It 'Under Protection'"]

[Text] Kaunas, 30 Mar—Passions have really flared up over the Kaunas Garrison Officers' Club. After the devastation wreaked there, Audrius Butkevicius, minister of territorial protection, went to the Officers' Club. A compromise solution was found: Until Lithuania's representatives hold talks with the Northwest Group of Forces Command, the Officers' Club is being placed under the protection of the Territorial Protection Ministry. At the same time normal working conditions are being ensured for staffers of the Garrison Officers' Club. Permission to hold entertainment events was agreed upon.

With regard to those involved in causing the devastation it was declared that they acted on their own initiative, but since they were representatives of public organizations, the use of administrative sanctions against them is unacceptable.

It has to be said that the territorial protection minister dissembled, for I have seen a document signed by Butkevicius ordering... the seizure of the Garrison Officers' Club in Kaunas.

The situation in the Officers' Club today was described to me by its chief, Lieutenant Colonel Boris Stryukov:

"A guard has been mounted outside the Officers' Club. Inside there are armed men (approximately 10). Beds have been put up in one of the studies to make a barracks. Armed guards are exercising rigid control over all the rooms, the duty officers for the Garrison Officers' Club are banned from approaching the telephone, staffers of the Officers' Club are admitted only with passes, and their personal belongings are searched. Officers may enter their own club only if they hold a pass from the Kaunas commandant of the zone of the Territorial Protection Ministry."

Deputy Minister of Power Engineering Fired

LD2903213192 Vilnius Radio Vilnius Network in Lithuanian 1900 GMT 27 Mar 92

[Text] The Government Information Bureau has reported that, in accordance with a collegial decision adopted at the 8 January government meeting, Kutas, first deputy minister of power engineering, has been relieved of his duties for improper exercise of his duties.

Although it had been agreed at a government meeting, not to alter the electricity consumption regime, it was decided on 8 January to significantly limit electric energy consumption.

On 7 January, with Kutas' permission, by order of the Lithuanian Energy System Enterprise, energy consumption by industrial enterprises was limited, without any basis.

The government commission tasked with the investigation of this occurrence, has not established any facts that would have necessitated limiting energy consumption.

By the way, the decision to limit energy supplies, was adopted on 8 January, when the freeing of food product prices was introduced.

No measures were taken to deal with laxity in discipline and negligence. It was no accident that outsiders were allowed to force their way into the Santariskes power relay station and to cut off the power supply to the hospital. This disturbed work of medical institutions and endangered the lives of many patients.

In addition to that, Kutas permitted the sale of state property, in gross violation of the laws.